DAILY REPORT

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## FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

### Hails ADB Resolution

OW260756 Beijing XINHUA in English 0748 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- A Foreign Ministry spokesman said here today that China appreciated the resolution of the Board of Governors of the Asian Development Bank [ADB] admitting China as a member state of the ADB. He said at the weekly news briefing: "The Government of the People's Republic of China is the sole legitimate government of China. Only the Government of the PRC can represent China in the ADB. In light of this fact, the Board of Governors of the ADB has adopted the resolution on the admission of China as a member of the ADB. We express our appreciation on it."

### Welcomes Aquino Government

OW260752 Beijing XINHUA in English 0746 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- Chinese Government welcomed the government formed by Corazon Aquino in the Philippines, a Foreign Ministry spokesman said at a weekly news briefing here this afternoon.

He said: "China and the Philippines are friendly neighbors. The Chinese Government welcomes the new Government of the Republic of the Philippines formed by Corazon Aquino. We hope the friendly relations and cooperation between the two countries and the traditional friendship between the two peoples will continue to develop."

## ZHANG JINGFU MEETS STANDARDIZATION OFFICIAL

OW251418 Beijing XINHUA in English 1237 GMT 25 Feb 86

[Text] Beijing, February 25 (XINHUA) -- State Councillor Zhang Jingfu said here today that China will expand its cooperation with the International Organization for Standardization [ISO].

Speaking at a meeting with Isamu Yamashita, president of the ISO, the Chinese state councillor said China's industry and agriculture have quickened steps in adopting international standards. The ISO president came here February 23 for a visit at the invitation of the China State Bureau of Standards.

## UN SECRETARY GENERAL APPRECIATES DPRK'S PLEDGE

OW260818 Beijing XINHUA in English 0750 GMT 26 Feb 86

[Text] Pyongyang, February 26 (XINHUA) -- U.N. Secretary-General Javier Perez de Cuellar has expressed appreciation at the Korean Government's pledge to continue North-South talks to realize peace and detente on the Korean peninsula.

The KOREAN CENTRAL NEWS AGENCY said that the secretary-general's comment was made in a return letter in response to a letter from Korean Vice Premier Kim Yong-nam briefing him on the current situation on the Korean peninsula. Perez de Cuellar said in his letter that positive efforts are necessary to realize peace and security and the Korean reunification.

REAGAN RESPONDS TO GORBACHEV ARMS PROPOSAL

OW250650 Beijing XINHUA in English 0637 GMT 25 Feb 86

[Text] Washington, February 24 (XINHUA) -- U.S. President Ronald Reagan today responded to Soviet leader Mikhail Gorbachev's January 15 arms control proposal by saying the first steps in the nuclear arms control area "should be the deep cuts in U.S. and Soviet offensive weapons which are now under negotiation in Geneva."

In a statement here, Reagan detailed the first steps and said that both Washington and Moscow should implement the principles of 50 percent reductions in their nuclear offensive forces and negotiate an intermediate-range nuclear forces agreement. "We believe that the immediate focus should remain on the prompt accomplishment of these first necessary steps," he added.

Gorbachev's January proposal concentrated on eliminating medium-range missiles in Europe as a key step to his plan to rid the world of all nuclear weapons by the year 2000. Reagan called the Soviet proposal "constructive," but said that to eliminate all nuclear weapons by the end of the century "must be done in a careful manner, consistent with the overall requirements for security and stability of the United States and our allies." He also said that many of the specific details proposed by Gorbachev "are clearly not appropriate for consideration at this time."

On what are "not appropriate" for consideration now, Reagan said the total elimination of nuclear weapons will require, at the same time, "the correction of the conventional and other force imbalances, full compliance with existing and future treaty obligations, peaceful resolution of regional conflicts in ways that allow free choice without outside interference and a demonstrated commitment by the Soviet Union to peaceful competition." He said Gorbachev's proposal does not address these "equally vital requirements."

Reagan suggested that immediate progress could be made in the negotiations on intermediate-range nuclear forces. He said U.S. negotiators in Geneva today placed on the table a concrete plan calling for the elimination of U.S. Pershing IIs and ground-launched cruise missiles and Soviet SS-20 missiles not only in Europe, but in Asia as well, with all such missiles to be removed from the face of the earth by the end of this decade. The U.S. President called upon the Soviet Union to "respond concretely at the negotiating table." Reagan emphasized that the place to make "real progress in reducing nuclear and other forces" is at the confidential negotiating table, and, with an equal commitment by the U.S. and Soviet negotiating partners, "real progress is now within our reach."

Reagan's formal response was made after careful study and close consultations with its NATO and Asian allies in the past month or more. In an earlier letter to Gorbachev, Reagan had rejected the Soviet leader's proposal to freeze British and French intermediate-range nuclear arsenals at the current levels but suggested that similar U.S. and Soviet missiles in Europe be scrapped. The United States has deployed 236 Pershing II and cruise missiles in West Germany, Britain and Italy, all aimed at Soviet territory. Eventual installation of 572 missiles is planned. The Soviet Union has about 300 SS-20s targeted at Western Europe.

UNITED STATES

## AQUINO'S NEW PHILIPPINE GOVERNMENT RECOGNIZED

OW251606 Beijing XINHUA in English 1558 GMT 25 Feb 86

[Text] Washington, February 25 (XINHUA) -- Secretary of State George Shultz announced today that Philippine President Ferdinand Marcos has resigned and the United States recognizes a new Philippine Government headed by Corazon Aquino.

Shultz said at the White House that U.S. President Ronald Reagan "is pleased with the peaceful transition to a new government of the Philippines." He said the United States "extends recognition to this new government headed by President Aquino," adding that "we pay special tribute to her for her commitment to non-violence, which has earned her the respect of all Americans."

Shultz said Marcos has fled the presidential palace to end his 20-year old rule and is at the U.S. Clark Air Base. He was flown there by a U.S. Air Force helicopter shortly before Shultz's announcement. Marcos will fly out of the Philippines with the help of the United States to an undisclosed destination. It is not sure whether he will fly to the U.S. but, Shultz said that Marcos "was welcome to come to the United States".

## TEST CRUISE MISSILE CRASHES INTO BEAUFORT SEA

OW260156 Beijing XINHUA in English 0148 GMT 26 Feb 86

[Text] Ottawa, February 25 (XINHUA) -- An unarmed cruise missile crashed into the Beaufort Sea early this morning, moments after it was launched from a U.S. Air Force B-52 bomber. It was the sixth test of the cruise over northwestern Canada under a five-year agreement Canada signed with the United States in 1983.

A U.S. Air Force spokesman said at the Canadian Forces Base Cold Lake in northeastern Alberta that the crash occurred on launch. He said that the cause of the crash will be determined by a board of officers and that the status of other tests scheduled remains to be determined. The B-52 bomber carrying the missile had left Fairchild Air Force Base near Spokane, Washington State, about five and half hours earlier on its flight to the Beaufort Sea, about 2,400 kilometers northwest of Edmonton. The four-and-half-hour test was to include practice interceptions by two CF-18s from Cold Lake and by two F-15s and two F-16s from the United States.

The last cruise missile launched over Canada crashed on January 22 near Cold Lake. A U.S. spokesman announced Sunday the crash happened when the missile ran out of fuel after encountering strong head winds.

## BRZEZINSKI CALLS LIBYAN POLICY 'MISTAKE'

OW242141 Beijing XINHUA in English 1901 GMT 24 Feb 86

[Text] Ankara, February 24 (XINHUA) -- Former security advisor to ex-U.S. President Jimmy Carter, Zbigniew Brzezinski, said that the present U.S. policy on Libya is a mistake. He made the remark in an interview with CUMHURIYET, which is printed today. The interview was given in Washington.

Brzezinski pointed out that the U.S. Administration has raised the Libyan issue to such a level as "international terrorism". This is very wrong, he said, adding that this is a mistake committed by the United States in choosing its target.

On North Atlantic Treaty Organization (NATO) relations with the Middle East, he noted that the NATO is not a global alliance but a very important and powerful tool so far as European defence is concerned. It is unrealistic, he said, to try to turn NATO into an organisation to deal the issues in the Mediterranean and the Middle East Arab world. It might bring reverse effect, he warned.

He underlined the important role Turkey is playing in the Western alliance in view of Turkey's geopolitical position. He advised Turkey not to play any active role in the Middle East.

On the rivalry and contest between the two superpowers, he said that such rivalry and contest are normal and they will continue for a long period. Brzezinski said that the rivalry and contest between the United States and the Soviet Union are going on in the fields of ideology, economy and technology as well as in the military field. He claimed that the U.S. could prevent the USSR to win over the U.S. in the rivalry and contest. He stressed that from his personal knowledge of history, such rivalry and contest are absolute and therefore he has never been panic nor lack of patience. He also noted that there are some people in the ruling circle of the United States who believe in the possibility of mutual compromise and rapprochment but the majority people are doubtful and hesitant.

USE OF FORCE AGAINST LIBYA NOT RULED OUT

OW202050 Beijing XINHUA in English 2011 GMT 20 Feb 86

[Text] Washington, February 20 (XINHUA) -- A senior U.S. State Department official said yesterday that the Reagan administration has not ruled out using military forces against Libya, which the United States has accused of supporting terrorism. Testifying before the Senate Judiciary Subcommittee, Robert Oakley, director of counterterrorism and emergency planning, said "Consideration of the careful use of force... has not been ruled out in accordance with our right of self-defense." Oakley's remarks came amid reports that the U.S. Navy is considering new flight operations next month over the Gulf of Sidra off the Libyan coast. The U.S. Navy has just concluded exercises in international waters off Libya, and its next operations near the Gulf of Sidra could be timed to coincide with the arrival of a third aircraft carrier -- the America -- to join the Saratoga and Coral Sea in the central Mediterranean next month. In another development, the Senate yesterday approved a new law that makes it a crime for terrorists to attack Americans anywhere in the world. The measure has been sent to the House of Representatives with strong support from the Reagan administration.

CONTROLS TIGHTENED ON FAR EAST CLOTHING IMPORTS

OW250216 Beijing XINHUA in English 0201 GMT 25 Feb 86

[Text] Washington, February 14 (XINHUA) -- The American administration has started to tighten curbs on textile and apparel imports from major Far Eastern suppliers. U.S. Assistant Trade Representative Charles Carlisle is in the Far East to negotiate "standstill" agreements with Hong Kong, Taiwan and South Korea on their textile and apparel shipments to the United States, reported the U.S. JOURNAL OF COMMERCE today. Under the U.S. plan, the three big suppliers would limit their textile and apparel shipments for three years to the 1985 levels. Moreover, controls would be extended to products made from fibers other than cotton, wool and man-made material.

The United States wants to broaden textile and apparel trade controls to such fibers as ramie, jute, linen and silk, said the report. It will propose that the Multifibre Arrangement, an international pact that governs most of the world's textiles trade, be expanded to cover trade in those products. A recent U.S. Commerce Department study indicates that imports of textile products of those fibers have been rising, although importers dispute this. A review by the International Business and Economic Research Corp. finds that these imports last year fell by nearly 50 percent.

GORBACHEV ADDRESSES 27TH CPSU CONGRESS

Reagan Response, PRC Relations

OW251910 Beijing XINHUA in English 1900 GMT 25 Feb 86

[Text] Moscow, February 25 (XINHUA) -- Soviet leader Mikhail Gorbachev has actually given a negative appraisal of the response made by U.S. President Ronald Reagan to his January 15 disarmament proposals. In a political report to the 27th party congress in the Kremlin today, Gorbachev said that Reagan's response seems to contain some reassuring opinions and theses. "However", he continued, "these positive pronouncements are swamped in various reservations, linkages and conditions, which in fact block the solution of radical problems of disarmament."

He said that the U.S. proposals directly run against the objective of eliminating nuclear weapons. He stressed: "The significance that we attach to it (the U.S.-Soviet summit) is that it ought to produce practical results in key areas of limitng and reducing armaments." "There are at least two matters on which an understanding could be reached -- cessation of nuclear tests and the abolition of U.S. and Soviet intermediate-range missiles in the European zone." "And then, as a matter of fact, if there is readiness to seek agreement, the question of the time of the meeting would be resolved of itself. We will accept any suggestion on this count."

Referring to the Soviet-Chinese relations, Gorbachev said: "We can say with gratitude that there has [been] a certain improvement in the Soviet Union's relations with its major neighbour, the great socialist China." "Differences in attitudes remain, particularly over a certain number of international problems," he added. "But, we have noted something else: that in many cases, we can work together and cooperate on an equal basis, without harm to third countries," Gorbachev said. Observers here noted that Gorbachev again sidestepped the three obstacles which should be overcome in improving the Soviet-Chinese relations.

On the Afghanistan issue, Gorbachev said that the Soviet Union has agreed with the Afghan side "on the schedule for their (Soviet troops) phased withdrawal as soon as a political settlement is reached" that ensures an actual cessation of non-resumption of foreign armed interference in the internal affairs of Afghanistan. It showed that the Soviet Union still persists in its stand on the Afghanistan issue. He proposed a meeting of the leaders of the permament members of the United Nations Security Council to discuss what could and should be done to strengthen peace.

Former Leadership Criticized

OW251138 Beijing XINHUA in English 1125 GMT 25 Feb 86

[Text] Moscow, February 25 (XINHUA) -- Soviet leader Mikhail Gorbachev today blamed the former leadership for "inertness, stiffness and escalation of bureaucracy" and called for "drawing to the maximum on the lessons of the past." At the beginning of his lengthy political report to the 27th Soviet Communist Party Congress which opened in the Kremlin this morning, Gorbachev said that "for a number of years the deeds and actions of party and government bodies tailed behind the needs of the times and of life." He said: "The problems in the country's development built up more rapidly than they were being solved." "The inertness and stiffness of the forms and methods of administration, the decline of dynamism in our work, and an escalation of bureaucracy -- all this was doing no small damage," Gorbachev added.

Gorbachev in his report did not mention the former leaders of the Soviet party by name when he criticized their errors. Leonid Brezhnev ruled the country for 18 years before his death in 1982. He was followed by Yuriy Andropov and Konstantin Chernenko as party general secretary, who died in office in 1984 and 1985 respectively. Gorbachev became the Soviet leader last March.

Addressing a gathering of about 5,000 Soviet party delegates and more than 150 foreign delegations at the Kremlin's Palace of Congresses, Gorbachev also said that "the situation called for change, but a peculiar psychology -- how to improve things without changing anything -- took the upper hand in the central bodies and, for that matter, at local level as well." He noted that "the situation has come to a turning point not only in internal but also in external affairs." "The changes in current world affairs are so deep-going and significant that they require reassessment and comprehensive analysis of all factors," he said, adding that "the situation created by the nuclear confrontation calls for new approaches, methods, and forms of relations between the different social systems, states and regions."

Plans for Soviet Economy

OW251521 Beijing XINHUA in English 1459 GMT 25 Feb 86

[Text] Moscow, February 25 (XINHUA) -- Soviet leader Mikhail Gorbachev today urged the Communist Party to draw the "most serious lessons" from the country's past economic performance, and declared that the "boldest steps" will be taken in the drive for economic reform.

In a political report to the 27th party congress in the Kremlin today, Gorbachev emphasized that a "responsible analysis" of the past economic construction would clear the way for the future, and that on-going economic reforms cannot stop halfway. All the Soviet people should be mobilized to participate in the country's economic building, he added. Despite a four-fold growth in the country's national income over the past 25 years, Gorbachev noted, economic difficulties which began to build up in the 1970s have resulted in declining rates for both economic growth and labor productivity. He added that the country has not been able to fulfill the relatively low economic targets set in the past three consecutive five-year plans, and strenuous efforts in recent years have failed to reverse this situation.

He said in his report that the prime task of the party and the entire nation today is "to resolutely reverse the unfavorable tendencies in the development of the economy and to impart to it the due dynamism." He announced an ambitious economic blueprint, according to which the country will double its national income and industrial potential by the end of the century. "The main factors behind this are scientific and technological progress and a fundamental transformation of society's productive forces," the Soviet leader said, stressing the need to change structural and investment policies in Soviet industry and improve the economic management.

Touching on ailing agriculture, Gorbachev said that the party and government have decided to give farmers significantly greater control over the production, sale and processing of their farm produce. He said that the new agricultural policy will include modern versions of the key aspects of the founder of the party, Vladimir Ilich Lenin's "New Economic Policy" of 1920s. The country will give material reward to farmers who sell extra-quota grains to the state, he added.

Rejects Party Purge

OW260740 Beijing XINHUA in English 0710 GMT 26 Feb 86

[Text] Moscow, February 26 (XINHUA) -- Soviet leader Mikhail Gorbachev has rejected the proposed "purge" advocated by some people within the Soviet party, which he said is "unnecessary." But he warned that those who disgrace the party would be cleared away.

He said in his report to the 27th Soviet Communist Party Congress Tuesday that in some places and even among the central bodies of the party there are "quite a few people" who refuse to accept criticism and even hit back at those who criticize them. He singled out the former party leaders of Moscow and Uzbek for assailment though he did not mention them by name.

Former Moscow party chief Viktor Grishin was removed from his post last December after coming under open fire in the Soviet press and then dropped for the ruling Politburo a week ago. Sharaf R. Rashidov, former first party secretary of the Uzbek Republic, died in October 1983. The Soviet leader told the congress that a number of party officials were recently sacked and ousted from the party for abuse of power, with some of them punished according to the law. He also called for a "resolute and merciless" struggle against bureaucracy, which he described as a "serious obstacle" to his efforts to accelerate social-economic advance and to reform the country's economic management system.

## Tasks for Economic Reform

OW260808 Beijing XINHUA in English 0738 GMT 26 Feb 86

[Text] Moscow, February 26 (XINHUA) -- Soviet Communist Party General Secretary Mikhail Gorbachev Tuesday outlined the country's tasks for what he called "drastic reforms," an expression seldom used by Soviet officials in the past, while issuing a warning against opponents of the proposed changes.

In his lengthy report to the 27th Soviet Communist Party Congress delivered at the Kremlin, the Soviet leader used the word "reforms" for the first time in reference to what was formerly called a "perfection" or "restructuring" of the country's economic management system. By reform, Gorbachev explained, is meant the creation of "an integral, effective and flexible system of management" that would "subordinate the whole of our production to the requirements of society, to the satisfaction of people's needs; orient management towards raising efficiency and quality; accelerate scientific and technological progress and promote a greater interest by people in the results of their work."

What is noteworthy in the report is his promise to grant more decision-making power to enterprises and at the same time increase their responsibility. "The practice of interference by the center in the daily activities of lower economic links must be overcome," Gorbachev said. He said, however, that a number of measures would be taken to ensure the autonomy of enterprises, which would include genuine cost accounting, self-support, self-financing and the dependence of the income level of collectives directly on their performance. He also called for improving the systems of pricing, financing and crediting, and working out effective incentives to eliminate overexpenditure.

In agriculture, which has suffered a continued decline in recent years and is considered top priority in the Soviet economic strategy, Gorbachev said the government would give farmers greater freedom in managing the production, sale and processing of their produce and would put extra-quota grains at the disposal of the producers. However, Gorbachev reaffirmed the country's centralized guidance of the economy, calling for a strengthened role of the national center in achieving the major goals of the economic strategy.

The Soviet leader devoted much space to the need to modernize the country's stagnant economy and described scientific and technological progress as a main lever for economic development.

While dismissing the possibility to divert the economic development from socialist principles, Gorbachev criticized those who take a wait-and-see attitude toward the reforms and cling to the hope of returning to the old track. He called for crackdown on bureaucracy and other practices blocking the reforms.

Period of 'Developed Socialism'

OW260814 Beijing XINHUA in English 0714 GMT 26 Feb 86

[Text] Moscow, February 26 (XINHUA) -- Soviet leader Mikhail Gorbachev today protrayed his country as one which "has entered the period of developed socialism." In his five-hour "political report" to the 27th Soviet Communist Party Congress at the Kremlin's Palace of Congresses Tuesday, the Soviet leader rejected the suggestion that the wording of "developed socialism" be discarded by the party program. He insisted that the conclusion in the draft new edition of the party program that "the Soviet Union has entered the period of developed socialism" is "realistic." The draft will be discussed and adopted at the current congress.

The late Soviet leader Nikita Khrushchev in 1961 advanced the theory that "communist soceity will have been basically established in the Soviet Union by 1980 and completely established thereafter." This theory was amended by Khrushchev's successer Leonid Brezhnev in 1967, when he announced that developed socialism had been built up in the Soviet Union. Yuriy Andropov, after he succeeded Brezhnev as the party general secretary in 1982, put forward a revised theory that the country "is at the beginning of developed socialism." This was almost inherited by Gorbachev in the draft new edition of the party program. But as a matter of fact, he favored his own version of "planned and all-round perfection of socialism."

BAN YUE TAN ON NEW GENERATION OF SOVIET LEADERS

HK260403 Beijing BAN YUE TAN in Chinese No 8, 10 Feb 86 pp 54-55

[Article by Tang Xiuzhe: "A New Generation of People Has Entered the Soviet Political Arena"]

[Text] People have noted that Soviet party, government, and Army leading organizations have undergone a series of personnel changes since Gorbachev assumed the post of general secretary of the CPSU Central Committee 10 months ago. A new generation of leaders is entering the Soviet political arena and the country's leading cadres are becoming younger in average age.

The CPSU Central Committee has emphasized that leading cadres are to play a major role in effecting the decisive shifting of the economy onto the track of intensive management and in speeding up social economic development; therefore, the whole party must pay attention to the fostering of cadres, and especially to the effort to reduce the average age of cadres. It was on the third day after he assumed office that Gorbachev, 54, declared: We shall "fully support, encourage, and promote those who have shown sincerity and a clear conscience toward their social obligation with real actions and actual achievements rather than words." This indicated that he wanted to introduce some substantial personnel changes within the Soviet leadership.

When Gorbachev took up the post, 3 of the 5 key leaders of the CPSU Politburo -- Gorbachev, Tiknonov, Gromyko, Grishin, and Romanov -- were over 70, and half of the 10 Politburo members were over 70. The CPSU central leading organization held a by-election some time ago.

Consequently, Ligachev and Ryzhkov, two relatively young leading cadres promoted during the Andropov era, have remarkably been promoted again from their original posts as members of the CPSU Central Committee Secretariat to new posts as members of the Politburo of the CPSU Central Committee, in charge of ideological and government work respectively. Nikonov, 56-year-old Central Committee member and former director of the agricultural department of the Russian Soviet Federated Socialist Republic, has been promoted to membership of the CPSU Central Committee Secretariat to take charge of the agricultural work formerly taken care of by Gorbachev. At a plenary session of the CPSU Central Committee held in April last year, Chebrikov (63 years old), chairman of the Committee for State Security, was promoted from the position of candidate member of the Politburo of the CPSU Central Committee to full member of the Politburo. At a plenary session of the CPSU Central Commitee held in July last year, Shevardnadze, 57 years old, originally a candidate member of the Politburo of the CPSU Central Committee, was also promoted to full membership of the Politburo. In late September, the retirement of Tikhonov, 80, was announced and, at a plenary session of the CPSU Central Committee in October, he was removed from his post as member of the Politburo of the CPSU Central Committee. Again, in December, the retirement of Grishin, 70 years old, was announced and he was relieved of his post as first secretary of the Moscow City CPSU Committee. After this process of readjustment, the average age of Politburo members was reduced from 67.1 to 63.6 years.

The Soviet Government has also experienced remarkable personnel changes. Ryzhkov, 55 years old, has been appointed chairman of the USSR Council of Ministers. Two first deputy chairmen have been added to the Council of Ministers: Talyzin, who concurrently holds the post of chairman of the State Planning Committee, and Murakhovskiy, who concurrently holds the post of chairman of the newly established Soviet State Committee of Agriculture and Industry. Murakhovskiy succeeded Gorbachev as first secretary of the CPSU committee of Stavropol border region in 1978 when the latter was transferred to the central leadership. Meanwhile, the retirement of six deputy chairmen of the Council of Ministers was announced, and four new deputy chairmen have been appointed, all under 60. More than 20 ministers and chairmen of state committees have been replaced by new men, mostly under 60.

The leadership of the Army has also undergone major changes: 61-year-old Maksimov succeeded 71-year-old Tolubko as commander of the strategic rocket forces, 57-year-old Lizichev succeeded 77-6ear-9od Yepishev as chief of the Main Political Directorate of the Soviet Army and Navy; and 57-year-old Chernavin succeeded 75-year-old Gorshkov as commander in chief of the naval forces.

In response to a demand by the CPSU Central Committee, the CPSU central committees of all the Soviet socialist republics, and the CPSU committees of all autonomous regions and border regions held special meetings one after another to discuss and solve issues concerning organizational work. Some incompetent leading cadres have been removed from their posts, some cadres who made serious mistakes have been penalized, and some old cadres with poor health have retired. At the same time, a number of new men have been selected to fill posts in leading bodies.

Last year, Gorbachev demanded that party organizations at all levels promote promising female cadres and young cadres to leading posts through election. There will possibly be some new personnel changes around the 27th CPSU Congress to be held this February.

SIGNATURE CAMPAIGN GAINS STRENGTH IN S. KOREA

HK250747 Beijing RENMIN RIBAO in Chinese 23 Feb 86 p 6

["News Analysis" by Xu Baokang: "South Korean People Have Staged the 'Constitution Revision Signature Campaign'"]

[Text] The "campaign to collect 10 million signatures" to press for revision of the existing "Constitution" initiated on 12 February by the New Korean Democratic Party, the No 1 opposition party, and the opposition democratic group, the "Council for the Promotion of Democracy," has entered its second week and is gradually spreading from Seoul to other parts of the country. The effort to press for the revision of the present Constitution and for the institution of direct presidential elections constitutes an essential part of the struggle being waged by South Korean opposition parties and people of all walks of life for the realization of social and political democracy. Since the institution of direct presidential elections was abandoned by former "Presidnet" Pak Chong-hui in 1971, South Korea has up to now been under the rule of dictatorship. After Pak Chong-hui was assassinated, South Korea adopted the present "Constitution" on 22 October 1980. This "Constitution," which "has nothing different" from the one adopted by Pak Chong-hui, protects Chon Tu-hwan in strengthening his dictatorial regime.

In the past few years, the voice of the South Korean people for social democracy has been growing louder and louder. After its establishment in January 1984, the New Korean Democratic Party obtained 67 of 276 seats in the National Assembly and has become the No 1 opposition party. This newly emerged party called for the revision of the present Constitution, the institution of direct presidential elections, the lifting of press censorship, the release of political prisoners, and the abolition of the Chon regime. It also proclaimed that it would initiate a campaign to collect 10 million signatures to press for revision of the present Constitution. In a "speech on state politics" on 16 January, Chon Tu-hwan declared that "the question of revision the Constitution would not be discussed until 1988." The ruling party also threatened to "stop the campaign for constitutional revision" "in accordance with the law." This once again awoke growing discontent among opposition parties and young students. Another reason contributing to the beginning of the "signature campaign for constitutional revision" was last year's economic depression in South Korea. In addition, the economic growth rate dropped to the lowest level since Chon Tu-hwan came to power, the nation was heavily in debt, factories were operating below capacity, and the unemployment rate was high. As a result, the South Korean people called for changing the situation through constitutional revision.

To deal with the "signature campaign," the authorities followed the most high-handed policy. Chon Tu-hwan openly declared that the campaign was "illegal" and should be banned immediately. He also said that "those who defied the prohibition would be arrested." On the evening of 13 February, the authorities unlawfully searched the headquarters of the New Korean Democratic Party and the offices of the Council for the Promotion of Democracy and arrested a number of people who signed for constitutional revision. According to incomplete statistics, the authorities placed the renowned patriotic democratic figure Kim Tae-chung under house arrest, and also arrested leaders of the New Korean Democratic Party and all its members in the National Assembly, as well as nearly 300 democratic personages and young students. However, the large-scale armed suppression by the South Korean authorities did not scare people longing for democracy. Kim Yong-sam and other democratic personages said: "We are resolved to further the campaign. If the government takes strong measures against us, the people's struggle for democracy will become more vigorous."

At present, the campaign is marked by the following points: First, the opposition forces, headed by the main opposition party, the New Korean Democratic Party, are united in action to promote the "campaign for constitutional revision."

Second, young students of South Korea are giving support to the "signature campaign." Universities and colleges suh as Seoul University and Yonsei College have set up organizations to promote the campaign. In Seoul alone, students of 15 colleges have joined the contingent of the "signature campaign."

It seems that the "signature campaign for constitutional revision," no matter how it goes in the future, will have a positive influence on the progress of social democracy in South Korea.

NODONG SINMUN ON S. KOREAN SUPPRESSION

OW250918 Beijing XINHUA in English 0905 GMT 25 Feb 86

[Text] Pyongyang, February 25 (XINHUA) -- The Northern part of Korea expressed its indignation on the South Korean authorities' suppression of opposition parties and students in a commentary in NODONG SINMUN today. The commentary pointed out the Northern part of Korea "cannot ignore the South Korean authorities' violence".

South Korea authorities have reportedly arrested hundreds of students, surrounded and ransacked the headquarters of the New Democratic Party, and put under house arrest opposition leaders Kim Tae-chung, Kim Yong-sam and Yi Min-u during the "signature campaign" launched by opposition parties and social communities, calling for revisions of the existing Constitution. The commentary said that the South's violent policy "runs counter to national reunification". The commentary said that if the Southern authorities continue the policy, "there will never be, at any time, reunification of the nation and the people". It stressed that the South Korean people's demands for democracy are correct and continued oppression will cause further social disorder.

LIAOWANG ON SRV-USSR 'DUET' ON CAMBODIA

HK251813 Beijing LIAOWANG in Chinese No 6, 10 Feb 86 pp 6-7

[Article by Tang Tianri: "Hanoi-Moscow Duet"]

[Text] Recently, Hanoi and Moscow played a duet on the so-called "political settlement of the Cambodian question." Those appearing on stage were: In the Vietnamese part, Vo Dong Giang, a special envoy of the Vietnamese Ministry of Foreign Affairs, who made a speech at a press conference in Hanoi, and then its foreign minister, who published a press communique along with the foreign ministers of Laos and the puppet Cambodian regime at the 12th "Indo-China foreign ministers' conference;" In the Soviet part, its Vice Foreign Minister Kapitsa, who made a speech at a press conference in Moscow. This duet of Vietnam and the USSR shows that they have a "common and identical stand" on the Cambodian question. That is, Vietnam will not withdraw its troops from Cambodia.

The key to the political settlement of the Cambodian question is the total withdrawal of Vietnamese troops. Both Vo Dong Giang's remarks and the "Indo-China foreign ministers' conference" press communique have played the same old tune of completing the withdrawal of Vietnamese troops in 1990 while listing a series of prerequisites for the withdrawal, such as: Thailand should stop its support to the resistance forces of Democratic Kampuchea; the puppet Cambodian troops "should be able to shoulder completely all the military tasks;" and the so-called "external forces" should cease their "interference" in the internal affairs of Cambodia. In his remarks, Kapitsa emphasized that whether Vietnam can completely withdraw its troops from Cambodia will be determined by the "degree of perfection: and the "enhancement of the combat effectiveness" of the puppet Cambodian troops as well as the "gradual elimination" of the resistance forces of Democratic Kampuchea. In short, the prerequisite for the withdrawal of Vietnamese troops is that the Cambodian people stop their resistance against Vietnamese aggression. The so-called "withdrawal" in a certain year is but a gross deception.

Vo Dong Giang and the "Indo-Chinese foreign ministers" required that under the condition that the Vietnamese troops are not withdrawn, "various factions and individuals" in Cambodia will enter into negotiations with the puppet Cambodian regime to eliminate the National Army of Democratic Kampuchea and realize the so-called "national reconciliation." At the same time, Kapitsa urged Sihanouk and Son Sann to get into "contact and negotiations" with the puppet Cambodian regime on condition that they should "sever relations" with the National Army of Democratic Kampuchea, the strongest armed forces in the resistance against Vietnam in this country. He denied that that the National Army of Democratic Kampuchea is "a kind of political force," holding that only "very few leaders" of this army, "not representing a political force," can "make contact" with the puppet Cambodian regime. Obviously, this is a clumsy trick by Hanoi and Moscow, attempting to undermine the unity of the three resistance forces of Democratic Kampuchea by setting one against another, to disintegrate the Coalition Government of Democratic Kampuchea, and to then eliminate them all one by one.

To the ASEAN countries, the "Indo-China foreign ministers conference" press communique uses the tactic of striking and stroking alternately, attempting to undermine their unity and lure and force them to conduct "group dialogue" with Vietnam and to compromise. While saying that Vietnam is willing to negotiate with Thailand in order to "solve various problems," the communique also threatens the latter with the question of Cambodian refugees. It demands that Thailand remove the refugee camps from the Cambodian-Thai borders and not allow the Cambodian resistance forces to control and use them for political and military purposes. Thus, the Vietnamese Army in Cambodia has created a new excuse for another invasion against Thailand in the future.

It was reported that after the ambassadors of Vietnam, Laos, and the puppet Cambodian regime reported the result of the "Indo-China foreign ministers conference" to the Soviet Union, the latter expressed its full support for the "unchanged policy" of Vietnam.

Vo Dong Giang and the "Indo-China foreign ministers conference" also emphasized that in solving the Cambodian problem, "there must be a pattern of peaceful coexistence in Southeast Asia." They demand guarantees from the international community, so as to eliminate the so-called "interference by external forces." At the same time, Kapitsa pointed out in his remarks that it was necessary to convene "an international conference for relevant countries" so as to "afford guarantees for the realization of a peace zone" in Indo-China. In the eyes of Vietnam and the USSR, letting Vietnam dominate Indo-China means a kind of "peace zone," or a "pattern of peaceful coexistence." Now they have brazenly demanded that the international community recognize Vietnam's hegemony in Indo-China and even in the whole of Southeast Asia. This really is a great satire on "peace" and "peaceful coexistence."

The Hanoi and Moscow duet cannot cover up the booms of their tanks and guns for settling the Cambodian question by military means. The Vietnamese authorities worked out a "K5 Operational Plan" long ago and put it into effect last year, attempting to eliminate the resistance forces of Democratic Kampuchea in 2 or 3 years. It was said that this year will be one of crucial importance in carrying out this plan. The invading Vietnamese Army in Cambodia is now making greater efforts to close the border and encircle and suppress the inland areas. It has been reported that since last year, in order to help Vietnam carry out the "K5 Operational Plan," the USSR has doubled its economic and military aid to the country. The amount of this aid increased from $2 billion a year in the past to the present $4 billion. Large numbers of Soviet tanks, artillery, land mines, rockets, and planes have been transported both by air and sea to the Cambodian battlefields.

Since its invasion of Cambodia with the support of the USSR, Vietnam has made many smug calculations. At first, it said that the Democratic Kampuchean troops "can only exist for 2 or 3 weeks" and that Vietnam "has already achieved a decisive victory." Later it said that the resistance forces of Democratic Kampuchea could be wiped out at one fell swoop in no more than 2 or 3 months and the Cambodian question would thus be settled. All these calculations came to nothing in the end. Now Vietnam and the USSR declare that the resistance forces of Democratic Kampuchea will be wiped out in 2 or 3 years and the Cambodian question will "vanish of itself." We are sure that this calculation will also come to nothing at all. Only when Vietnamese troops are withdrawn from Cambodia can the Cambodian question "vanish."

## FURTHER REPORTAGE ON PHILIPPINE SITUATION

### Aquino Appeals for Calm

OW260256 Beijing XINHUA in English 0246 GMT 26 Feb 86

[Text] Manila, February 26 (XINHUA) -- New Philippine President Corazon C. Aquino issued early this morning her first public reaction on state-run television to former President Ferdinand Marcos's departure from the presidential palace. She said: "The long agony is over. We are finally free and we can be truly proud of the unprecedented way we achieved our freedom, with courage and with determination and most important, in peace."

She announced: "A new life starts for our country tomorrow, a life filled with hope and I believe a life that will be blessed with peace and progress." At the conclusion of her speech, she requested the countrymen who are in Malacanang (the presidential palace) to stay calm and observe sobriety for the sake of the country.

## Marcos Arrives in Guam

OW260648 Beijing XINHUA in English 0641 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- Step-down Philippine President Ferdinand Marcos arrived at Andersen Air Force Base in Guap, the United States, at about midnight GMT this morning, according to reports reaching here. According to the U.S. Defense Department, Marcos, who is en route to exile from his homeland, and his family flew aboard a U.S. Air Force Plane. That plane was followed immediately by a C-141 Starlifter carrying the rest of the Marcos party totalling about 60.

Marcos was forced to step down yesterday after 20 years in power in the Philippines. In the afternoon, he fled to the U.S. Clark Air Force Base in the Philippines and from there flew to Guan. A senior U.S. State Department official said that it was not yet known how long Marcos and his party would stay in Guam, but said there will be no problem if they want to travel on to the United States where Marcos has been offered a safe haven.

## Ramos Appoints New Commanders

OW261213 Beijing XINHUA in English 1141 GMT 26 Feb 86

[Text] Manila, February 26 (XINHUA) -- Newly-appointed Chief of Staff of the Armed Forces of the Philippines (AFP) Fidel Ramos today revamped the command of the AFP and appointed new commanders of the four major services. They are Acting Commander of the Philippine Army Brig. Gen. Rodolfo Camoso, Acting Commander of the Philippine Air Force Brig. Gen. Ramon Farolan, Acting Commander of the Philippine Navy Commodore Serapio Martillano and Acting Commander of the Philippine Marines Col. Brigido Paredes. It is, however, not clear whether Gen. Ramos is retaining his post of head of the Philippine Constabulary-integrated national police, a position he held under Marcos administration.

Ramos stressed these new commanders are only in acting capacity. It is subject to confirmation first from President Corazon Aquino. He also said they now have control over 99.5 percent of the military forces in the country. The remaining 0.5 percent Marcos loyalists were scattered over the country with some in Fort Bonifacio -- the headquarters of former Chief of Staff General Ver who left the country with Marcos yesterday. He said they did not consider them as enemy but as misguided elements of the old regime. Ramos said the long range objectives of the new AFP are: To rggain its credibility that has been lost, to improve discipline, morale and welfare, and to enhance and expand the operational effectiveness of the entire Armed Forces. There are more than 200,000 soldiers and officers in the AFP.

## THAI PRIME MINISTER MEETS PRC COURT PRESIDENT

OW251832 Beijing XINHUA in English 1438 GMT 25 Feb 86

[Text] Bangkok, February 25 (XINHUA) -- Prime Minister Prem Tinsulanon said today that exchange of experiences between judicial circles of Thailand and China would further strengthen the close relations between the two countries. The prime minister made this remark during a meeting with visiting President of the Chinese Supreme People's Court Zheng Tianxiang here today. Prem said he believed China has lots of good experience worth learning since it is a large country with one billion population.

Zheng told his host that he had gained a good deal of enlightenment from his contacts with Thai friends of the judicial circle. Zheng arrived here on February 20 at the invitation of the Supreme Court of Thailand.

## AFGHAN FIGHTERS COUNTER SOVIET WINTER OFFENSIVE

OW211345 Beijing in Russian to the USSR 1800 GMT 18 Feb 86

[Roundup: "The Winter Military Situation in Afghanistan"]

[Text] This winter, the characteristics of the battlefield in Afghanistan are as follows: The Soviet forces have intensified their military offensive but have met with courageous resistance from the Afghan freedom fighters. This is why battles have become more frequent and more intense than ever before. The news coming from Afghanistan shows that, since the end of last year, the Soviet aggressor forces in Afghanistan have not substantially increased in numbers, but the Soviet Union has begun supplying additional heavy weapons, including new medium T-80 tanks, to the country. Soviet troops under the cover of new aircraft and long-range guns have carried out new offensives against the camps and strongholds of Afghan partisan units operating in Nangarhar, Qandahar, Paktia, Ghazni, Herat, and Nimruz Provinces. They have gone as far as brutally killing unarmed Afghans. On 27 December last year, in Nangarhar alone, Soviet troops mercilessly killed 89 local inhabitants at one time. Bulan Khan Waziri, chief of the political department of the Islamic Union of Afghan Mujahidin, said that battles between Soviet-Karmal troops and partisans this winter have increased in frequency over past winters. For instance, in 1 and 1/2 months since 20 December last year, the number of attacks by Soviet-Karmal troops against resistance forces was almost equal to the number of attacks during the previous 6 months.

This winter, Soviet troops have intensified their attacks, especially in regions in the eastern and southeastern parts of Afghanistan along the Pakistan border for the purpose of achieving both military and diplomatic objectives. Militarily, they attempt to blockade the border, making it more difficult for the partisans to get rear supplies and carry out military operations, with the aim of annihilating them. Diplomatically, the Soviet Union is exerting pressure on Pakistan to force its government to give up its principled position at political talks and recognize the Karmal regime and the de facto Soviet aggression.

The Afghan resistance forces, however, having overcome many difficulties, are courageously resisting the enemy attacks. One of the characteristics of the Afghan partisans' actions this winter has been the intensification of battles in the northern regions, close to the Soviet border, and of raids on military installations in the enemy's rear. Simultaneously, the partisans have been actively attacking the enemy in cities, villages, and on highways, causing great manpower and materiel losses for the enemy forces.

In Paktia Province, partisan subunits attacked a division headquarters, killed the division commander and two Soviet military advisers, and destroyed an ammunition dump and an enemy observation point.

In the first 10 days of December, when the Soviet-Karmal troops launched an offensive against a partisan base in Yettikost, in Nangarhar Province, the partisans killed 70 enemy personnel, brought down an armed helicopter and a MiG aircraft, and damaged 7 tanks. On the night of 10 January, partisans in Qandahar City attacked the residence of the provincial governor and killed at least 28 enemy personnel. In mid-December last year, partisan subunits operating in the Panjsher shot down a helicopter and a fighter aircraft and destroyed four enemy tanks.

In the central Ghowr Province, partisans raided a military depot in Chaghcharan City, the administrative center of the province. After capturing a large amount of arms and ammunition, they set the depot on fire.

On 28 January, in Ghazni Province, the partisans killed 30 enemy personnel and destroyed 2 enemy tanks. During this period, there was an increase in the number of coordinated actions by resistance organizations. The partisan fighters were filled with high battle enthusiasm, while morale among the soldiers of the Karmal-Soviet forces fell. More and more soldiers of the Karmal forces crossed over to the partisan side. There were instances of Soviet troops refusing to take part in military actions against partisans.

A Kabul radio broadcast at the beginning of February indicated that the battles of the Afghan resistance forces this winter have been fruitful. The radio admitted that in January, in 6 Afghan provinces alone, partisans had killed over 500 soldiers of the Soviet-Karmal forces and taken several hundred prisoners. Although these figures are lower than the actual losses, they show that great damage has been inflicted by the partisans on the enemy.

Currently, the Soviet forces are continuing their winter offensive. It is believed that when winter is over, the military offensives of the Soviet troops against the Afghan resistance forces will be much fiercer and that the partisans will be put to a more severe test. However, the practice of the past 6 years shows that the Afghans cannot be subdued with weapons. Recently an Afghan resistance organization leader said that there is no indication of any change in the Soviet position on the Afghan problem. The partisans will continue to fight until the aggressors are driven out of Afghanistan.

PAKISTAN'S ZIA ON INDIRECT TALKS ON AFGHANISTAN

OW231926 Beijing XINHUA in English 1904 GMT 23 Feb 86

[Text] Islamabad, February 23 (XINHUA) -- President Mohammad Ziaul Haq today expressed the hope that some headways will be made on the Afghanistan issue in the sixth round of indirect Geneva talks which is to be resumed next month. Addressing a provincial convention of local bodies at Sibi in Baluchistan Province, the president said Pakistan is pursuing its principled stand of finding some political solutions to the Afghanistan issue. The issue can be solved only politically, he reiterated.

The sixth round of indirect talks on Afghanistan, opened in Geneva on December 16 last year, was deadlocked on December 20 due to Afghan Karmal regime's refusal to discuss the timetable for the withdrawal of Soviet troops from Afghanistan. Besides, the Karmal regime insisted on changing the indirect format of the talks to a direct one. In December 1979, Soviet troops helped install the Karmal regime in Afghanistan and remained there since then. Presently, about 115,000 Soviet troops were reportedly stationed in Afghanistan.

The president reiterated the call for the withdrawal of the Soviet forces from Afghanistan, saying that unless this be done, the issue of Afghanistan could not be solved. He said Pakistan, which [is] now bearing economic burden of three million Afghan refugees purely on humanitarian and Islamic fraternal grounds, will continue to give shelter to the refugees till the conditions for their safe return to the motherland are ensured.

PRC-FRG NUCLEAR COOPERATION PACT SIGNED

OW251428 Beijing XINHUA in English 1304 GMT 25 Feb 86

[Text] Beijing, February 25 (XINHUA) -- The Chinese Nuclear Society and the Nuclear Society of the Federal Republic of Germany signed an agreement on cooperation here today. Under the agreement, the two sides will promote the peaceful use of nuclear energy and technology, expand academic exchanges between specialists and technicians of the two countries, exchange technical data and help-in personnel training.

The agreement was signed by President Jiang Shenghie, Vice-President Zhou Ping and Secretary-General Lu Guangyi of the Chinese Nuclear Society, and President Claus Berke, Vice-President Manfred Timm and Secretary-General Peter Haug of the Federal German Nuclear Society. Present at the signing ceremony were Chen Zhaobo, vice-minister of China's nuclear industry, and Per Fischer, Federal German ambassador to China.

TAX AGREEMENT WITH NORWAY SIGNED IN BEIJING

OW251422 Beijing XINHUA in English 1240 GMT 25 Feb 86

[Text] Beijing, February 25 (XINHUA) -- An agreement between the Governments of China and Norway for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital was signed here this afternoon. Wu Xueqian, Chinese state councillor and minister of foreign affairs, and Svenn Stray, Norwegian foreign minister, signed the agreement on behalf of their respective governments.

Up to now, China has signed similar agreements with Britain, Belgium, Federal Republic of Germany, France, Japan, Malaysia and the United States.

ZHENG TUOBIN MEETS BELGIAN ECONOMIC DELEGATION

OW251645 Beijing XINHUA in English 1456 GMT 25 Feb 86

[Text] Beijing, February 25 (XINHUA) -- Zheng Tuobin, minister of foreign economic relations and trade, met here today a delegation from the Belgium-Luxembourg Economic Union led by Andre Kempinaire, Belgian secretary of state for development and cooperation. In their conversation, Zheng said that China had maintained sound cooperation with Belgium and Luxembourg. He hoped that they would further their cooperation in the fields of communications, transportation, energy, the production of electrical appliances and food-processing.

Kempinaire added that in the next five years covered by China's Seventh Five-Year Plan, Belgium and Luxembourg could also cooperate with China in the fields of raw materials and personnel training. The delegation is here attending the fifth session of the mixed commission of China and the Belgium-Luxembourg Economic Union for the development of economic, industrial, scientific and technical cooperation. The three-day session began yesterday.

ZHAO ZIYANG MEETS NEW DANISH AMBASSADOR

OW251420 Beijing XINHUA in English 1239 GMT 25 Feb 86

[Text] Beijing, February 25 (XINHUA) -- Chinese Premier Zhao Ziyang met with Arne Belling, the newly-appointed Danish ambassador to China, here this afternoon.

## SIERRA LEONEAN PRESIDENTIAL VISIT REPORTED

### Greeted by Li Xiannian

OW250235 Beijing XINHUA in English 0226 GMT 25 Feb 86

[Text] Beijing, February 25 (XINHUA) -- Joseph Saidu Momoh, president of the Republic of Sierra Leone, was welcomed at a ceremony presided over by Chinese President Li Xiannian here today. Momoh and his party flew in here yesterday for a 6-day visit at the invitation of Li.

Today, the national flags of China and Sierra Leone fluttered over the plaza to the east of the Great Hall of the People. As Momoh and his party arrived at the central hall of the Great Hall of the People in the company of Ye Rutang, Chinese minister of urban and rural construction and environmental protection and chairman of the reception committee, Li stepped forward to exchange greetings with his guests. A child presented Momoh with a bouquet.

At about nine the ceremony started and the national anthems of the two nations were played amidst a 21-gun salute. Momoh was then accompanied by Li on an inspection of a guard of honor formed by men from the three services of the Chinese People's Liberation Army. Among those present were President Momoh's entourage, and Chinese State Councillor and Foreign Minister Wu Xueqian and Minister of Forestry Yang Zhong. After the ceremony, the two leaders sat for a cordial talk.

### Holds Talks With Zhao Ziyang

OW251132 Beijing XINHUA in English 1109 GMT 25 Feb 86

[Text] Beijing, February 25 (XINHUA) -- Premier Zhao Ziyang today expressed his appreciation of Sierra Leone's nonaligned policy in talks held here this morning with the republic's President Joseph Saidu Momoh. He also praised the country's efforts to strengthen unity and cooperation among African countries and safeguard world peace.

The two leaders expressed their satisfaction with the friendly relations that have developed between the two countries over past few years. The Chinese premier said he was sure President Momoh's visit would add a new chapter in the history of bilateral relations. He told the Sierra Leone president that China would continue to carry out economic and technical cooperation with his country. He also hoped that the two countries would broaden cooperation with mutual benefit.

President Momoh spoke highly of China's achievements in socialist construction. He said he hoped the profound friendship between the two countries would continue to develop. He also hoped to carry out several Sino-Sierra Leone joint-venture projects in the fields of mining, fishery and agriculture. Both sides briefed each other on their domestic situations and exchanged views on a series of international issues. Zhao expressed his appreciation of the position taken by the Government of Sierra Leone on the withdrawal of foreign troops from Kampuchea and Afghanistan.

Present on the Sierra Leone side were Abdul Karim Koroma, minister of foreign affairs; Suffian M. Kargbo, minister of agriculture, natural resources and forestry; E.T. Kamara, state minister of party affairs; and Shansu Mustapha, state minister of finance, development and economic planning. Present on the Chinese side were Wu Xueqian, state councillor and minister of foreign affairs; and Ye Rutang, minister of urban and rural construction.

## Li Xiannian Hosts Banquet

OW251711 Beijing XINHUA in English 1635 GMT 25 Feb 86

[Text] Beijing, February 25 (XINHUA) -- Chinese President Li Xiannian reiterated today that China is willing to work together with other countries for world peace and economic development. Li was speaking at a banquet he held here this evening to welcome visiting Sierra Leone President Joseph Saido Momoh.

The Chinese president praised the Sierra Leone Government and people for their unremitting efforts to uphold their national dignity, develop the national economy and maintain African unity and world peace. He said that the Chinese Government and people valued highly the African countries' spirit of increasing strength through unity. He expressed the belief that with African unity and cooperation and international support, the African countries would overcome their temporary difficulties and embark on the road of sound development. He said that China had unswervingly stood by the African people and firmly supported the just struggles of the people of southern Africa. He was confident that so long as the people in southern Africa closed their ranks and persisted in struggle, they would win complete victory over racism and apartheid. The Namibian people would surely win their national independence, he said.

Momoh in his speech praised China for its effort to diversify economic cooperation with Africa. "This new policy of your government is practical and meaningful with possible opportunities to increase the level of future cooperation for our mutual benefits," he added. He said that China constituted a force for peace, prosperity and stability in international relations. He said his government appreciated China's unswerving support in the just struggle of the African peoples to rid the continent of the odious and dehumanizing system of apartheid. The two countries shared identical views on many international issues and were irrevocably committed to global peace and stability, he added.

Speaking of the situation in Afghanistan, Kampuchea, Chad and Western Sahara, he called on the international community to work assiduously to eliminate foreign intervention there, and to allow the people there to decide their own destiny in peace. He also called for a just solution to the problem of the Palestinian people and the withdrawal of Israeli forces from Arab lands. Both presidents agreed the two countries had strengthened their traditional friendship and cooperation in recent years and expressed the wish to further their relationship of mutual trust. Liao Hansheng, vice-chairman of China's National People's Congress Standing Committee; Wu Xueqian, state councillor and foreign minister; and principal members of the Sierra Leone president's entourage attended the banquet.

## Meets Hu Yaobang

OW261302 Beijing XINHUA in English 1244 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, said here today that China and Sierra Leone trusted each other, and the friendly relations of cooperation between the two countries were developing. Hu Yaobang had a cordial meeting with Sierra Leone President Joseph Saido Momoh here this afternoon.

Momoh said China was a true friend of Sierra Leone, and the friendship between the two countries was great. He hoped to develop mutually beneficial cooperation with China.

Hu agreed with Momoh on this point, saying that all exchanges between the two countries should serve economic cooperation. Briefing Momoh on China's economic achievements, Hu attributed the success to the reform and the open policy. In addition, he said, China had cut down defense spending and trimmed the Army to concentrate funds on economic construction. China would like to resume or develop relations with all countries on the basis of Five Principles of Peaceful Coexistence, he said. Hu stressed that the most important point was "we expand the economy in order to make the people well-to-do and ensure their life improves with the increase in production year by year."

Attending the meeting were the four ministers accompanying Momoh on the visit, and Chinese State Councillor and Foreign Minister Wu Xueqian and Minister of Urban and Rural Construction and Environmental Protection Ye Rutang.

XINHUA URGES FOREIGN TROOP WITHDRAWAL FROM CHAD

OW220924 Beijing XINHUA in English 0810 GMT 22 Feb 86

["News Analysis: Permanent Peace Can Be Obtained in Chad by National Reconciliation (by Zhou Qian)" — XINHUA headline]

[Text] Beijing, February 22 (XINHUA) -- The military situation in Chad has been reported calm after last week's flare-up of fighting between the government forces and former President Goukouni Oueddei's opposition troops. But observers said that civil strife and hostilities are far from being over and permanent peace can come only when the two warring sides sit down to discuss genuine reconciliation to end the country's more than two decades of civil war.

Foreign news agencies have reported Libyan military movements from southern Libya into northern Chad, while France, after a raid on Chad's Ndjamena Airport by a Libyan bomber, sent in about 500 troops and a dozen fighters and bombers, and more French troops and planes, based in the neighboring Central African Republic, are ready to move into Chad.

Fighting flared up again on February 10, after a truce of more than a year, when the Libya-backed forces of the Transitional National Union Government (GUNT) led by Goukouni Oueddei attacked across the 16th parallel, a line established in 1984 to separate the GUNT forces in the north from the government troops in the south. Clashes have spread to four cities south of the ceasefire line and the government forces have reportedly recaptured all four cities from the opposition troops.

A civil war has been plaguing Chad since 1965 because of complicated internal contradictions and foreign intervention. In June 1983, the GUNT forces launched an offensive against Hissein Habre's government which took power in 1982. At the request of the Chadian Government, France dispatched 3,000 troops to Chad to check the GUNT forces from an advance on Ndjamena. In accordance with a Franco-Libyan troops withdrawal agreement signed in September 1984, France pulled its troops out of this central African country, but Libya's, according to Western intelligence reports, have remained strong.

During the truce beginning with the French troops withdrawal in October 1984, the organization of African unity as well as some African leaders made great efforts to bring the two Chadian warring sides to national reconciliation negotiation talks. But all these meetings failed because of the dispute between the two sides on who will represent the country's legal government. Goukouni refused to accept the legitimate status of the Habre government which was recognized the the OAU, the non-aligned Movement and other international organizations, while Habre insisted that Goukouni's delegation should attend the meetings as a faction, not as an equal.

In order to solve the Chadian problem, the two Chadian warring sides should put the interests of the country above everything else and come back to the negotiation table to thrash out their differences so that national reconciliation can be realized. Foreign countries should stop intervention and all foreign troops should withdraw from the country. But we are glad to see that the Habre government, which is virtually controlling the southern part of the territory, has made steady progress in the past three years toward building an economy shattered by more than two decades of civil war. Visitors to the capital of Ndjamena can see signs that this landlocked central African country, one of the world's poorest, is gradually coming back to life.

Tax collection, internal trading and export have picked up again while oil exploration and farming have resumed in the southern part of Chad despite various adverse conditions including the worst drought the country has ever experienced, guerrilla activities in the south and the control of the north by the opposition forces. The country's only cash crop, cotton, has survived the harsh climatic conditions and the 1983-84 crop reached a record 158,000 tons.

Meanwhile, the government has also tried its best to rally the guerrilla groups in southern provinces to the government side. Since last November, the government has signed peace accords with at least three guerrilla groups including the Codos (an abbreviation of commandos) led by Alphonse Kotiga, the most powerful guerrilla group which is operating in the south.

YASIR 'ARAFAT CONDEMNS U.S. MIDEAST POLICY

OW251919 Beijing XINHUA in English 1440 GMT 25 Feb 86

[Text] Ankara, February 25 (XINHUA) -- PLO Chairman Yasir 'Arafat has condemned U.S. Middle East policy as "repeating the mistake of former U.S. President Lyndon Johnson's policy in Vietnam." In an interview with Turkish daily HURRIYET published here today, 'Arafat said that the U.S., dipping its hands directly in the Arab-Israeli conflict, is bound to fail.

"There can be no peace and stability in the Middle East without a solution to the Palestine issue," 'Arafat pointed out, adding that there remain typhoon and living volcanos for U.S. presence in Mideast. The bombing of the PLO headquarters in Tunisia was launched from a U.S. military base in the Mediterranean by U.S.-Israeli collusion, he pointed out. Referring to international terrorism, 'Arafat said "We are against terrorism in all its manifestations, especially terrorism which took place in our land against our people who are victims of Israel's terrorism." "We should never forget that 60 percent of the Palestinians have been slaughtered and the rest 40 percent are groaning under the pressure of Israel," he added. "We shall make all-out efforts to continue our struggle against Israel in accordance with U.N. resolutions", he declared.

On his forthcoming visit to Turkey, 'Arafat said that the PLO will have talks with Turkish leaders on the situation in Mideast, the Palestine issue, the Iran-Iraq war and other issues of common concern.

YAO YILIN ATTENDS KUWAITI NATIONAL DAY RECEPTION

OW250756 Beijing XINHUA in English 0749 GMT 25 Feb 86

[Text] Beijing, February 25 (XINHUA) -- Kuwaiti Ambassador to China 'Abd al-Hadi Haj al-Mahmid gave a reception in celebration of the 25th anniversary of the national day of the state of Kuwait here today. Chinese Vice-Premier Yao Yilin was among those attending the reception.

GUANGMING RIBAO ON BAKER PLAN, LATIN AMERICAN DEBT

HK252231 Beijing GUANGMING RIBAO in Chinese 15 Feb 86 p 4

["International Commentary" from Mexico by Wang Xinlu: "The 'Baker Plan' and the Problem of World Debt"]

[Text] Over the last few months, Latin American countries have been commenting on the "Baker Plan" proposed by the United States for the settlement of the Third World's debts. Most Latin American countries hold that the plan "does not touch the essence of foreign debts" but that it will help "ease the sharp contradictions between creditor and debtor countries."

The debt problem is one of the major difficulties faced by the world economy. For many years, big Western industrial countries have kept reducing the prices of raw materials and primary products of developing countries, strengthening protectionism, and raising loan interest rates, thus causing serious losses to the trade of developing countries. This has not only affected their economic development, but also weakened their ability to repay their debts. In particular, contradictions between Latin American countries and the creditor countries have become more acute because the former are faced with increasing debt crises.

In August 1982, Mexico announced that it would postpone the repayment of its foreign debts 3 months. Latin American countries such as Brazil, Argentina, and Bolivia followed Mexico and began to hold negotiations with people in international banking circles. By early 1983, 25 developing countries had participated in renegotiations of foreign debts.

In 1985, the foreign trade of developing countries began to deteriorate further. In the first quarter, their total exports amounted to only 114.2 billion, a drop of 10.4 percent from their total export value for the same period of 1984. The situation of the Latin American countries was even worse. Their total exports dropped by 14.6 percent. Due to a serious foreign exchange deficiency, Latin American countries were forced to launch a series of activities to postpone the repayment of foreign debts. Such activities reached their "climax" at the August meeting in Havana on Latin American countries' foreign debt. At the meeting, some Latin American countries suggested forming a common front in negotiations with the creditor countries or postponing the repayment of debts. In this critical situation, the United States proposed the "Baker Plan" in the hope of easing the tense relations between itself and Latin American countries.

The announcement of the "Baker Plan" brought different repercussions in various circles. Commercial banks in the United States expressed their support for it, as they are worried that the Latin American attitude toward the problem of debts will cause a chain reaction in the Third World and affect private banks' interests. They hold that the "Baker Plan" is helpful in alleviating the contradictions between the debtor countries and private banks. But they maintain that the recipient countries should not suspend the repayment of debts, should ease the tense situation in the countries, and should improve their relations with international private banks. Private banking organizations in Europe are hesitating over what move to take. They are not completely in favor of the "Baker Plan," as they are afraid that with the implementation of the plan, not only will West European countries lose their reputation in the debtor countries, but the role of their world banking policies in settling debt problems will also be reduced. The debtor countries, in particular Latin American countries, maintain that this plan will not help solve the fundamental problems. On the one hand, the "Baker Plan" avoids mentioning how to reduce loan interest rates and abolish protectionist measures. On the other hand, the 29 billion proposed by the plan will not be adequate to solve the economic difficulties of the debtor countries.

Statistics show that the interest the 15 countries mentioned by the plan will pay on foreign debts from 1986 to 1988 is 130 billion, almost five times the amount proposed by the plan.

Last December foreign and finance ministers of 11 countries of the "Cartagena Group" held a meeting in Montevideo, the capital of Uruguay, to discuss the "Baker Plan." The "Montevideo declaration," the final document of the meeting, put forward an "urgent suggestion" demanding that industrial countries reduce their loan interest rates, that capital inflow to Latin American countries be increased, that capital outflow from Latin American countries be limited, that current debts be separated from future debts, and that protectionist measures be abolished. They also suggested the resumption of the North-South dialogue and that effective measures be taken to develop the economies of the debtor countries. Naturally, some Latin American countries will possibly accept the "Baker Plan." Take Mexico as an example. Its foreign debts total nearly 100 billion. Adding the destruction brought about by last year's earthquake, it is in very serious economic difficulties and requires new loans for its recovery. Colombia will also possibly accept the "Baker Plan" to solve the serious economic aftermath of volcanic erruptions. Brazil is the Third World country most seriously in debt. Apart from them, other Latin American countries will possibly support the plan.

In short, the "Baker Plan" admits that the creditor and debtor countries are responsible for solving the increasingly serious debt problem, and it is aimed at easing the contradictions between the two sides. However, the plan does not touch the essence of foreign debts. The implementation of the plan will only help the debtor countries postpone the settlement of their debts. These countries will find themselves in more serious debt to foreign countries due to the harsh terms on loans imposed by international private banks. Latin American countries maintain that the Third World debt total of nearly $1 trillion is a disastrous figure and that any measure to solve their debt problems will be of no use if political, economic, and other factors are not taken into account.

KANG KEQING RECEIVES CANADIAN OFFICIAL

OW241346 Beijing XINHUA in English 1323 GMT 24 Feb 86

[Text] Beijing, February 24 (XINHUA) -- Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met here today Pierre Racicot, vice-president of the Canadian International Development Agency (CIDA). Kang is also president of the All-China Women's Federation.

Racicot is here to attend the opening of a seminar on women in development sponsored by the All-China Women's Federation and CIDA.

LAWSUITS AGAINST PLANT DIRECTOR VIEWED

HK251109 Beijing RENMIN RIBAO in Chinese 13 Feb 86 p 2

[Report: "Yingkou City CPC Committee Correctly Handles a 'Lawsuit Brought by a Party Secretary Against a Plant Director,' Thus Preserving the Posts of Those Who Carry Out Reform, and Transferring to Other Posts Those Who Bring Trumped-up Lawsuits"]

[Text] According to a report by LIAONING RIBAO, the Yingkou City CPC Committee has regarded the continuation of reform as a starting point for correctly understanding and decisively handling the problem of "a lawsuit brought by a party secretary against a plant director," which occurred in a dye and textile plant in the city. The city CPC Committee was bold in supporting the director of the plant, Wang Zhenlin, who had done well in exploring the way forward. This matter has evoked strong repercussions in the industrial and communications fields throughout the city.

In 1985, Wang Zhenlin, director of Yingkou dye and textile plant, suffered from many lawsuits. Most of the people who brought lawsuits against him were cadres, including the secretary and a deputy secretary of the plant's CPC Committee. The departments concerned of the higher authorities investigated the case of Wang Zhenlin on several occasions. City and district procuratorial organs also investigated the case. In August last year, the city CPC Committee sent a working group, jointly organized by the economic work department under the city CPC Committee and the textile bureau, to the plant to conduct an in-depth investigation. Not long ago, according to an investigation report made by the working group, the city CPC Committee reorganized the leading body of the plant. It was decided that Wang Zhenlin should continue to be director of the plant, and that the secretary and deputy secretary of the plant CPC Committee, as well as a deputy director, should be transferred to other posts. A new party secretary, deputy party secretary, and a new deputy director have been assigned to the plant. In the meantime, leading comrades of the city procuratorial organs went to the plant twice, and explained the matter to members of the leading body and medium-ranking cadres of the plant: After an investigation conducted over the past 2 months, no evidence was uncovered implicating Wang Zhenlin in economic crimes. In the process of examining the leading body of the plant, the working group fully affirmed the spirit of reform and achievements in work made by Wang Zhenlin. At the same time, it also repeatedly pointed out his defects and shortcomings in his presence.

The Yingkou dye and textile plant has changed plant directors seven times since 1970. In August 1983, the city CPC Committee sent Wang Zhenlin to the plant to take the plant director's post. Although Wang does not possess any diploma, he has real ability and learning. After assuming the post, he was bold enough to assign intellectuals censured by rumors and gossip to important positions. In the meantime, starting with guidance criteria for the business and management system, he implemented a series of drastic reforms. Results were achieved in the same year. In 1983, the plant not only eliminated its potential deficit but also showed profit of 300,000 yuan. In 1984, the plant went a step further; its profits increased to 2.04 million yuan, an increase of 680 percent over 1983.

Reform encroached on the private interests of certain people. Apart from that, Wang Zhenlin had an impetuous disposition and sometimes failed to pay attention to his manner of speech. Some people in the plant, including leaders of the plant, bore grudges against him. They did everything possible to squeeze him out. Starting in February of last year, they made alliances behind Wang's back, distorted the facts, and brought lawsuits against him at every turn. Leading organs of the city CPC Committee alone have received materials "exposing" Wang Zhenlin as thick as one che or so.

Whenever the departments concerned at a higher level reached a conclusion, based on investigation, that the "accusation does not tally with the facts," those people again cooked up charges against Wang Zhenlin and set off a new wave of accusations against him.

Director Wang Zhenlin's wife was seriously ill. Wang himself was also ill. Despite such physical and mental pressure, he persisted in reform and never lost heart. For a period of time, he lay in bed nightly at home to receive intravenous transfusions given by a clinic doctor, but he went back to the plant the next day to work as usual. In 1985, because some people in the plant did not completely follow Wang's directions, the plant failed to accomplish its profit goal of 4 million yuan. However, thanks to concerted efforts by Wang Zhenlin and the broad masses of cadres and workers, the plant still made a profit amounting to 1.6 million yuan and turned over 2.08 million yuan in taxes to the state.

## Support for Reformers Urged

HK251111 Beijing RENMIN RIBAO in Chinese 13 Feb 86 p 2

[Article by Zhao Fu: "Give Firm Support to Reforms" -- slightly abridged version of article originally published in LIAONING RIBAO]

[Text] When judging the real ability and learning of a person, we cannot only read his "curriculum vitae," but should look at his actual achievements as well. A comrade was assigned to the post of director of a plant with poor management and low production output. But he dared to implement reforms and adopt new measures to improve production. As a result, in less than 2 years, the situation of the plant change. By the year 1983, the plant had eliminated its deficit and had profits of more than 300,000 yuan; in 1984, the plant had a 2.04 million yuan profits; in 1985, the plant turned over 2.08 million yuan in taxes to the state. The comrade is Wang Zhenlin, direcotr of Yingkou dye and textile plant. People have praised him as a qualified plant director who has no academic qualifications but has real ability and learning and dares to carry out innovations and create new things.
But, in the plant, he could not gain the support of the plant's CPC Committee. On the contrary, some people tried to "collectively" trump up charges against him. These people included the secretary, deputy secretary, and a deputy director of the plant, who fabricated and framed cases and distorted facts and lodged various complaints against him.

What is fortunate is that Yingkou City CPC Committee and People's Government stuck to its correct position and to the principle of seeking truth from facts and resolutely supported reforms. After discovering the truth, they immediately made the decision to reorganize the leading body of the plant: Wang Zhenlin continued to be the director, while the secretary and deputy secretary of the CPC Committee of the plant and a deputy director of the plant were immediately transferred from the plant. Thus, this "case involving a party secretary lodging complaints against a plant director" ended.

People welcomed the Yingkou City CPC Committee and People's Government's clear position in supporting reforms and seriously dealing with those who fabricated and framed charges. What they have done is absolutely correct. At present there are some people in leading positions who are unable to accomplish anything, and instead are liable to spoil everything. They form a force in their own units and try to push out those who cannot satisfy their wishes, in order to control their units, do things according to their own will, and seek personal gains. Will it do if we let such a situation continue to exist? Will it do if such leading bodies are allowed to exist?

"An investigation of a case involving eight cents can take about half a year. When the investigation comes to an end, the person involved in the case will at least become very unpopular if he is not removed from office."

This short sentence truly reflects the ugly soul of those who fabricate and frame charges against others. All just party members and just leading cadres must be on guard against this! We must try our best to prevent those who fabricate and frame charges against other people from gaining success! We must also firmly support the leading comrades who have made contributions to the cause of the party and the people and who are devoted to the reform!

CENTRAL EFFORTS TO IMPROVE PARTY STYLE PRAISED

HK242204 Beijing LIAOWANG in Chinese No 6, 10 Feb 86 p 5

[Article by Chen Hongyi and Song Jishui: "An Important Measure To Enhance a Change for the Better in Party Style"]

[Text] Recently, the CPC Central Committee, the CPC Central Committee's General Office, and the State Council's General Office respectively issued circulars and regulations on simplifying the work of receiving leading cadres at all levels, banning the reckless travels of groups and personnel to foreign countries, selecting and appointing cadres strictly according to party principles, and resolutely prohibiting cadres from using public money to make pleasure trips.

These are important measures adopted by the party and the state for straightening out party style. They are not only of immediate significance but are also of far-reaching significance for the party's construction and for the construction of our state organs. This series of regulations is directed mainly at leading cadres at all levels. Party and state cadres at all levels, especially leading cadres, should be conscientious in abiding by these regulations. In order to create high standards of public conduct, party style must first be straightened out; a good party style can be maintained only when leading cadres set a good example. The party central leadership's decision to deal with the style and practice of leading cadres hits home at the heart of the matter.

The masses are looking at the state of our party style and at the actions of our party members and cadres, especially leading party organs and cadres. Communist Party members and party and state cadres are public servants of the people. Their sole aim is to serve the people wholeheartedly and to contribute to the modernizations construction. Any action seeking private gains by making use of their official functions and powers contradicts this principle. Whether one can be conscientious and scrupulous in acting according to these central regulations in one's work and daily life is a stern test for every one of our party members and leading cadres. If our leading cadres at various levels can all set good examples and make strict demands on themselves, it is certain that party style and public conduct will markedly improve.

To straighten out party style, we should, on one hand, deal with unhealthy tendencies. All party members and cadres should be required to raise their political consciousness and to be models in consciously observing discipline and the law. Serious cases of violating discipline and law should be investigated, and severe punishments should be meted out to those responsible according to the facts and relevant laws. Disciplinary and legal measures must be taken against responsible people no matter how high their official positions. The higher a cadre's official position is the more serious we should be in dealing with his case. On the other hand, we should conduct education among most cadres and should establish necessary rules and regulations so they may have some standards of conduct to follow. This can prevent our cadres from committing mistakes.

At present, the CPC Central Committee, the CPC Central Committee's General Office, and the State Council's General Office have issued a series of pertinent documents over a short period to deal with some major problems.

These documents include many clear, concrete, and detailed regulations which enable the whole party and cadres at various levels to more clearly understand rules in their work. Therefore, cadres at various levels, especially leading cadres, should all seriously study these important circulars from the party central leadership and the State Council and should seriously implement them so as to prompt the organs and cadres to improve their work style and do their work better.

At present, we should particularly emphasize that we have to do a great deal of work in order to turn regulations into practical actions. We cannot expect that once the documents are issued and the regulations are formulated, all issues will be resolved. The implementation of these regulations is the most important link.

If we say that previously we did not have regulations to follow in some fields and had no clear standards for distinguishing right from wrong, then we now have concrete and clear regulations and standards. If any people do not act according to these regulations and standards, they may violate the law and discipline. We should also point out that at present the problem of some people is not that they do not clearly understand the regulations and cannot distinguish right from wrong; instead, they knowingly violate the regulations. To deal with such people, we have no alternative but to take serious disciplinary and legal action against them.

Comrade Hu Qili recently said in his speech at the graduation ceremony of the Central Party School that in order to advance the construction of socialist spiritual civilization, the party Central Secretariat has decided to pay more attention to strengthening and improving ideological and political work while dealing with major policy issues in economic work, making greater efforts to effect a fundamental turn for the better in party style and public conduct. This is a strategic principle of the party central leadership. Historical experience of socialism and the present situation in our country have repeatedly shown that adherence to this principle is a matter concerning the success or failure of our socialist cause. The series of circulars issued by the party central leadership are concrete measures for bringing about a fundamental burn for the better in our party style.

Fundamental improvements in party style and public conduct is an important matter with which the whole party and people throughout the country are deeply concerned. Recently, things in all parts of the country showed that so long as we take effective organizational measures and work resolutely and unswervingly, we will eventually bring about a fundamental turn for the better in the party style and public conduct.

## CONTROLLED COLLECTIVE, INDIVIDUAL INVESTMENT SEEN

HK260419 Beijing JINGJI RIBAO in Chinese 19 Feb 86 p 1

[Commentator's article: "A More Comprehensive Control Over the Scale of Investment"]

[Text] During the period of the Seventh 5-Year Plan, while strengthening control over investment in fixed assets by units under ownership of the whole people, how should we make more efforts to exercise control over the investment by collective and individual units? This is a new problem to be tackled by planned economy. Practice has proven that with regard to the scope of investment in capital construction, if we only pay attention to the units under ownership of the whole people, but care nothing about units under collective and individual ownership, we will still be unable to exercise control over the investment of the whole society. Macroeconomically, our investment will still be out of control. This is a problem which must be solved.

In recent years, with the implementation of the policy of mainly relying on the economy of the whole people and developing other economic forms, collective and individual economy has been developing very rapidly. As far as the growth of investment in fixed assets is concerned, the investment of the collective units and individuals increased from 35.5 billion yuan in 1982 to more than 70 billion yuan in 1985. The margin of increase was more than 100 percent. During the same period, the investment of the units under ownership of the whole people increased by less than 100 percent. The proportion of investment made by units under ownership of the whole people in the fixed assets of the whole society dropped from more than 70 percent before 1982 to the present 65 percent, whereas the investment of collectives and individuals increased from the previous less than 30 percent to the present 35 percent. Such great changes in the proportions of investment have shown that to effectively curb the scale of investment in fixed assets, we should exercise proper control over investment by collectives and individuals. Judging from the present situation, we know that various regions have exerted efforts to control the scale of investment of units under ownership of the whole people. They have achieved good results in this respect. However, if we fail to exercise control over investment made by collective units and individuals, there will actually be a loophole in the scale of investment as a whole. To deal with the situation, during the period of the Seventh 5-Year plan, while strengthening and improving macroeconomic control, it is necessary for us to work out plans for investment in the fixed assets of the whole society. In other words, investments made by collective units and individuals, as well as other economic organizations, in fixed assets should be covered by state planning. It should be kept under control. Starting from 1986, on the basis of investigation and study, planning departments at all levels should make forecasts and calculate the investment in fixed assets made by collective units, individuals, and other economic organizations in the urban and rural areas, and provide guidance planning for them. Only by formulating such plans, aimed at maintaining an overall and macroeconomic balance, can we ensure that the general scale of investment in fixed assets of the whole society is in line with financial and material resources of the state. Only thus can we prevent the collectives, individuals, and other economic organizations from striking at key construction projects covered by state planning.

Our purpose in exercising proper control over the investment of collectives and individuals is not to curb the scale of investment alone. We also intend to provide correct guidance for investment in this regard. Through guidance planning, we will be able to ensure that collectives and individuals make less investment in processing industries and other unnecessary nonproductive construction projects, and that they make more investment in key industries such as energy, communications, and raw and processed materials, as well as basic facilities. This will be beneficial to the readjustment of investment patterns. To achieve this purpose, we should make use of more economic means. For example, we may consider gradually extending our efforts to raise funds for key construction projects to collective enterprises and to town and township enterprises below standard levels. We may levy construction taxes on the capital construction projects of town and township collective enterprises and land taxes on construction projects of collectives and individuals. In so doing, we will accomplish our purpose of curbing the scale of investment and exercising control over land for construction projects.

## IMPORTANCE OF AGRICULTURAL FOUNDATION STRESSED

HK241811 Beijing LIAOWANG in Chinese No 6, 10 Feb 86

[Commentator's article": "Do Not Forget To Take Agriculture as the Foundation"]

[Text] Taking agriculture as the foundation is China's long-term strategic principle for developing the national economy.

Practice since the founding of the People's Republic has proven that when agriculture develops and the rural economy is invigorated, the national economy as a whole flourishes and develops vigorously. Conversely, when agriculture stagnates, the national economy as a whole suffers setbacks. This principle reflects not only objective law governing economic development but also natural law. In carrying out the four modernizations program, we should consciously observe this principle.

Since the 3d Plenary Session of the 11th CPC Central Committee, our success in developing the rural economy has attracted worldwide attention and instilled vitality in the economic development as a whole. This is an encouraging situation. However, we should also note soberly that we have a poor foundation in agriculture and our agricultural level is low. Most localities in our country have only succeeded in initially solving the problem of food and clothing; a large-scale commodity economy is only in its initial period. As the foundation of the national economy, our agriculture is still very weak.

Symptoms of agricultural neglect, which serves as the foundation, have emerged in some localities and departments. Blindly optimistic, some comrades believe that since great successes have been scored in rural reforms, it is unnecessary to devote too much time and energy to agriculture. They also believe that, since the peasant's initiative continues to soar, and since agricultural production has embarked on the path of sound development, it is unnecessary to commit more material and technological resources. Some other comrades lack an overall and long-term point of view in developing the national economy. Because agricultural construction needs a long investment cycle and yields slow returns, they do not want to invest in agriculture. They even use financial and material resources earmarked for agriculture in those construction projects that can provide them with ready cash. These incorrect understandings and practices are quite detrimental to the steady and sustained development of agriculture.

We have indeed scored great successes in the first step of rural reform. However, the existing rural economic management structure is still far from meeting the needs of the developing rural commodity economy. In order to develop the rural commodity economy more rapidly, it is necessary to carry out further reforms. This is what we usually refer to as the second step of the reform. This reform started in 1985 and will be carried out continuously this year. In the second step of the reform our tasks are both complicated and arduous. It involves many aspects and has increasingly closer links with urban reform. Therefore, it should be carried out in coordination with urban reform. This makes it necessary to deal with the existing relationships of economic interest between town and country; between different localities; between different trades and departments; between enterprises and individuals; and between producers and consumers. Great efforts should be made to rectify these relationships; this takes time. It is groundless to believe that since rural reform tasks have been completed we may relax our efforts.

Fairly rapid development has indeed been attained in recent agricultural production. We should note that this is due to correct party policies which have aroused the initiative of the peasants. It is also because the potential of agricultural capital construction in the past 30 years, including irrigation and water conservation, development has been concentrated in a very short time. Rapid development over a short period does not show that our country's agriculture has been endowed with modern materials and technological conditions. The foundation and the material and technological resources of China's agriculture are still very weak. Given increased agricultural production for many years running, many localities have neglected the building of agricultural foundation in recent years. They have reduced their input and simply relied on past gains to engage in production; they have assigned much cultivated land for other purposes; and they have not only failed to increase irrigated areas but gradually reduced them year after year.

Many water conservation projects, unrepaired for years, go on functioning in spite of their "illness." All these are unfavorable to agricultural development.

The principal cause for reduced agricultural input is that, in recent years, the idea of taking agriculture as the foundation has been blunted in some leading departments and localities. Some localities "develop industry on a grand and spectacular scale, engage in commerce with great enthusiasm, but carry out agricultural production quietly and indifferently." Paying exclusive attention to immediate economic interest, they strive to make money but are unwilling to make more investments in agriculture, which is a slow-yield venture. Under the influence of this idea many cadres at grass-roots levels have concentrated their energy on grasping industry, sideline occupations, commerce, and transportation, all of which can yield quick returns, and relaxed agriculture. This understanding and this practice have also affected some peasants. Coupled with other factors, such as the rising prices of the means of agricultural production, severe lack of farm labor, and lower income, these peasants have less interest in farming, particularly in grain-growing. What with less input and extensive cultivation, grain production and agricultural development have been affected. It is necessary to draw attention to this neglect and weakening of agriculture.

Agriculture is the foundation of the national economy. It was true in the past, is true now, and will still be true in the future. With the development of state industry and secondary and tertiary industries, the ratio of their output value will continuously rise and the ratio of agricultural output value will drop relatively. This will give more prominence to the status of agriculture. This is because the more developed the secondary and tertiary industries, the more the labor force will move out of agriculture; the greater the demand for farm produce (including industrial raw materials and consumer goods) and the higher the demand for quality, the greater the need for a developed and modern agriculture. Conversely, the more developed the agriculture and the higher the technique of agricultural production, the greater the need for material input and means of production; the more prosperous the peasants, the more they absorb manufactured goods. As a market for industry, agriculture will increasingly bring its potential into play and will be more and more important. That is precisely why agricultural investment still accounts for a considerable portion of total state investment in some developed capitalist countries.

The Seventh 5-Year Plan predicts that by 1990 the average per capita amount of grain should reach 800 jin or so, that animal food products should be correspondingly increased, and that the per capita income of the peasants should also be increased by a fairly substantial margin. This is an arduous task. Only by placing agriculture as a whole on a new material and technological basis will it be possible to fulfill this task. Achieving this objective is not only a glorious task for the agricultural front but also a common responsibility of all economic departments, trades, and professions throughout the country.

## RURAL INVESTIGATION TEAMS REPORT TO HU YAOBANG

OW250526 Beijing XINHUA Domestic Service in Chinese 1143 GMT 24 Feb 86

[By reporters Feng Jian and Zhang Zhilin]

[Excerpts] Beijing, 24 Feb (XINHUA) -- After making an on-the-spot investigation of poor areas in Yunnan and Guizhou Provinces and the Guangxi Zhuang Autonomous Region, three teams led by Hu Yaobang, general secretary of the CPC Central Committee, gathered in Nanning from 17 to 19 February to brief Hu Yaobang and responsible persons of the autonomous region and two provinces on their findings.

They held: Basically solving the problem of feeding and clothing the people in those poor areas in 3 to 5 years shows promise, provided we strengthen our leadership, increase the areas' self-reliance, take effective measures according to local conditions, and make full use of local natural resources to raise people's incomes village by village and county by county from year to year.

The three investigation teams consisted of 30 leading cadres from 27 central departments. They respectively made a 10-day investigation tour of Yunnan's Wenshan Zhuang-Miao Autonomous Prefecture, Guizhou's Bijie Prefecture, and Guangxi's Hechi Prefecture during the Spring Festival. They found that cadres and people in those areas, under the guidance of the party Central Committee's policy of letting people improve their status, are determined to become affluent through hard work and thus banish poverty. Noticeable changes have taken place in their production and lives. Industrial and agricultural production in the three prefectures has increased, as have the average income of the peasants and local revenue. People have started setting up village and town enterprises.

The Wenshan Zhuang-Miao Autonomous Prefecture, acting on the suggestions by Comrade Hu Yaobang, made while inspecting the prefecture last February, sent cadres to rural areas three times in 1985 to discuss with the masses how to "become better off by increasing one's income by 100 yuan" and how to open new avenues of production. They also reviewed and popularized people's experiences in improving themselves. The average per-capita income among the peasants in the prefecture increased 60 to 70 yuan last year compared with 1984. Hechi Prefecture's total industrial and agricultural output value in 1985 increased 57 percent over that in 1980. Incomes from afforestation and village and town enterprises went up more than 100 percent, and the average income of the peasants also increased 23 yuan over the previous year. Bijie Prefecture, acting on suggestions by Comrade Hu Yaobang, made while inspecting the prefecture at the end of 1983, has vigorously attempted to plant trees and grass and to develop village and town enterprises. It has also mobilized people to dig mines. As a result, the prefecture's revenues have doubled in 2 years, and the people's consumption level has risen by about 30 percent.

The investigation teams said, after analyzing what they had found during their investigation: Since natural, social, and historical conditions and economic foundations in various rural areas of our country are unbalanced, production and the people's living standards in the three prefectures are far behind the country's economically developed areas. It should be noted at the same time that the three prefectures each have favorable conditions and natural resources, as well as a tremendous potential for production. The three investigation teams proposed measures to be taken to help such poor areas change their conditions. They held: It is necessary for the state to give aid to those areas, but the basic way is to rely on the local people to work hard to invigorate the local economy in becoming self-reliant. To do so, it is essential to proceed from actual conditions, make focal points stand out, have people at each level assume their responsibilities, and help poor areas individually solve their problems. It is most important to make it possible for people in poor areas to increase their incomes to some extent every year. The focal point of giving aid to poor areas now is to help those peasant households not yet able to solve their food and clothing problems. The three investigation teams returned to Beijing on 20 February.

MINISTRY RECTIFIES PARTY STYLE, IMPROVES WORK

OW250422 Beijing XINHUA Domestic Service in Chinese 1237 GMT 24 Feb 86

[By reporter Ge Daxing]

[Excerpts] Beijing, 24 Feb (XINHUA) -- The Ministry of Urban and Rural Construction and Environmental Protection has paid attention to obtaining tangible results in rectifying party style and improving its work style.

In this regard, Minister Ye Rutang has said that party members and cadres working in the state organ should not just sit around talking, but should devote their efforts to "reform" and make accomplishments in "doing concrete work." They should earnestly improve their work, according to the needs of the various localities and the grass-roots levels, and should more effectively promote reform and socialist modernization, he added.

The Ministry of Urbanand Rural Construction and Environmental Protection is a government department under the State Council in charge of the nation's urban and rural construction, building industry, environmental protection, and the work of surveying and mapping. In the last 2 months, the leading party group of this ministry has mobilized all its personnel, as well as those of its direct subordinate units, to engage in study in association with the rectification of party style pursuant to a plan of the party Central Committee and the State Council. In view of erroneous thinking on the part of some comrades, insisting that there are no unhealthy trends to investigate in this ministry which is a "clean department" without economic problems, the leading party group has firmly grasped the investigation and treatment of conspicuous cases of discipline violation as a method of educating all party members and cadres. At the same time, it has paid attention to actual work in various fields, investigated and analayzed common problems of serious bureaucracy and inefficiency, and taken necessary measures to correct them.

The leading party group of this ministry has held that any attempt to improve party style not linked with the current practice of reform and construction would be empty talk, for in that case there would be no criterion for judging whether improvement has been made. On this basis, the ministry has drawn up a plan covering the matters to be investigated and studied by its leaders and advisors during the first half of this year. It has also stipulated, in explicit terms, that the minister and vice ministers should spend a certain time each year investigating and studying at grass-roots levels. They must write investigation reports which can be used as reference and guidance in doing concrete work. Other leaders at various levels in the ministry should do the same by "following their example." In addition, the leading party group of this ministry has reexamined the plan to hold various meetings at this ministry this year and cancelled more than 30 non-essential meetings. In the meantime, work has started on solving the problem of lack of distinction between the functions of different units and the haggling and shift of responsibilities between them, a problem which has long existed in this ministry and its subordinate units. Efforts have also been made to reinforce government functions, straighten relations between various departments, and raise work efficiency.

SATELLITE LAUNCH CENTER OPENS TO OUTSIDE WORLD

HK230549 Beijing ZHONGGUO XINWEN SHE in Chinese 0322 GMT 20 Feb 85

[Report by reporter Lin Hua: "China's Xichang Satellite Launch Center Will Open to the Outside World"]

[Text] Xichang, 20 Feb (ZHONGGUO XINWEN SHE) -- The Xichang satellite launch center in Liangshan, Sichuan Province, will open up to the outside world. This was declared by Hou Fu, director of Xichang spacecraft launch center, a few days ago when giving an interview to ZHONGGUO XINWEN SHE.

He said that the Xichang satellite launch center was built by China itself in 1970. At present, it has become a multipurpose satellite lauch center with many systems such as: testing and launching; command and control; communications; meteorology; technical services; and so on, which have undertaken the launching of Chinese geo-stationary orbital satellites.

On 8 April 1984, China succeeded in launching its first synchronous communications satellite, enabling the Chinese space industry to join advanced world ranks. Recently, it succeeded once again by launching its second communications satellite, which proves all the more that the quality of Chinese-made rockets is reliable, launch technique is up-to-date, and technical strength is strong. We have the certainty that we are capable of sending satellites into orbit and can undertake the business of launching international satellites for other users.

When this reporter asked whether this launching center welcomes visits from compatriots residing in foreign countries, the leader said repeatedly: "Welcome, welcome." He said that we already receive visits by people from friendly countries like the United States, France, Pakistan, and so on. As the Overseas Chinese residing in foreign countries, and compatriots from Hong Kong, Macao, and Taiwan are our own people, we should all the more readily hold out both hands to welcome them. However, at present we limit our reception to visits from businessmen.

The leader also gave this reporter an outline of the development prospects of the Xichang satellite launch center. He said that Xichang is at Liangshan in southwest China, where the weather is ideal and as warm as spring all the year round. Being rich in natural resources and having large mineral reserves, it is thus called "a treasure bowl." Qionghai, the nearby inland lake, and moonlight in Xichang are all tourist dreams. If we come to visit this place in the future, we will not only see China's modern national defense facilities but also enjoy the scenery of Liangshan and observe the customs of the Yi nationality.

MINISTER ON SATELLITE LAUNCHES FOR OTHER NATIONS

HK231031 Beijing ZHONGGUO XINWEN SHE Chinese 1425 GMT 20 Feb 86

[Text] Beijing, 20 February (ZHONGGUO XINWEN SHE) -- Ding Henggao, minister of the National Defense Science, Technology,and Industry Commission, told our reporters today that in the past two years, China has succeeded in launching a communications satellite by using the "Long March 3" rocket. This fact shows that China's carrier rocket technology and probing technology have reached an advanced level. He was optimistic on the prospects of China launching satellites for other countries as a service. He disclosed that one foreign country has already discussed the matter with China. After China's second communications satellite entered its orbit at 1700 today, our reporters interviewed Ding Henggao and asked him to comment on China's space technology.

Ding Henggao said that the second communications satellite has more functions than the first one. The effective radiation power of the transmitter on the satellite is so strong that the satellite signals can be received with a comparatively small diameter antenna on earth, thus reducing the costs of constructing the ground station. Ding also told our reporters that the two satellites had no serious technical troubles when they were launched. All the launch testing data conform with predetermined data. In the future, China will continue to launch communications satellites, and will also launch resource, meteorological and other types of satellites as well.

Commenting on China's carrier rocket technology, Ding said that China's "Long March 3" rocket's carrying capacity is very large. China is also the third country in the world to master liquid hydrogen and liquid oxygen rocket engine technology. The other two countries are the United States and France. In the future, China's two communications satellites will undertake more transmission tasks such as communications, TV programs and radio broadcasts. He disclosed that the first communications satellite is still functioning well and presently undertaking transmission tasks for communications and TV programs for the distant regions, including Xinjiang and Tibet.

Ding Henggao, who is 55 years old, graduated from Nanjing Engineering Institute, majoring in precision engineering, in 1952. After graduation, he worked in the Changchun optical precision machinery research institute under the Chinese Academy of Sciences and later in the Ministry of Astronautics Industry doing scientific research. Ding said that China will actively import advanced foreign technologies on the basis of self-reliance. Ding disclosed that China is presently formulating her astronautics development plan.

REN XINMIN ON ASTRONAUTICS INDUSTRY FUTURE

HK251055 Beijing ZHONGGUO XINWEN SHE in Chinese 0701 GMT 21 Feb 86

[Text] Xichang, 21 Feb (ZHONGGUO XINWEN SHE) -- Legendary fairy tales, passed down from history, had it that "Houyi shot the suns," and "Nuhuo mended the sky." At Xichang satellite launch center, this reporter saw with his own eyes the people who had shot the sky. They are first-rate Chinese rocket and satellite chief engineers, and senior specialists in electronics, telecommunications and meteorology. Each of these five major systems involved in satellite-launching has its own chief engineer; but Ren Xinmin, famous Chinese astronautics specialist who has a perfect command of all these fields, is known as the "chief of chief engineers." On the eve of the recent launch of the telecommunications satellite, this reporter interviewed the chief designer of satellite-launching, who has rendered meritorious services to China's astronautic undertakings.

"We are here to 'escort' the telecommunications satellite on its way up to the sky." This amiable elder clad in simple dress was not without a sense of humor during his interview with this reporter. According to him, a great number of people have worked on the satellite's quality and reliability. There are people in observation stations on land, fleets at sea, as well as people participating in the design of "Long March No 3 Rocket" and "The East Is Red No 2 Satellite," and the manufacture of apparatus and fuel of all categories. There are people to be counted in the thousands!

In our interview, this reporter learned that Chief Engineer Ren and his assistants had arrived in Sichuan 1 month ahead of schedule. He celebrated his 70th birthday on the train. The recent launch of the satellite was most significant to him, as well as the best birthday present he could have.

"It is said that something went wrong during the test of the satellite."

"Nothing serious, and it has been fixed." Chief Engineer Ren told this reporter: In every item of our work, in every link we must follow the special instruction of Premier Zhou Enlai: "Be solemn and serious, be attentive and meticulous, be steady and reliable, and run no risk at all." Every word in his instruction carries weight, and this instruction has become the motto of our astronautic engineers and technicians. He continued, saying: "There is still a certain gap between our satellites and those of the advanced countries. However, our carrier rockets 'Long March No 2' and 'Long March No 3' have already entered the ranks of the advanced in world terms. Relying on them, we have sent up 17 satellites. They have always been successful, almost without failure."

Ren Xinmin told this reporter that China has successful experience in using ultralow temperature liquid hydrogen and oxygen fuels. On the existing technological basis, rockets with greater carrying power can be developed. According to him, China has already announced it will put its carrier rockets onto the world market and will accept orders from clients at home and abroad for satellite launching operations. China has arrived at such a decision only after it was fully confident of doing so.

The topic changed from rockets to satellites. This reporter asked: "Has the satellite launched this time some new technical improvements compared with the same type of satellite launched in April 1984?"

"Yes, of course." He cited an example. The effective omnidirectional radiant power of the satellite's relay station has been strengthened, and ground reception stations can receive clearer television pictures with a small diameter antenna. This is most significant in lowering the cost of our numerous ground reception stations. According to him, China's carrier rockets have entered the ranks of the advanced in world terms, and the design of Chinese satellites will become more complete and perfect.

Happily, Ren Xinmin said that with the success of this launch China's telecommunications satellites will pass into the applications phase from their experimental phase. Today, China has built its own space industry, and brought up a large number of middle-aged and young specialists in rockets, satellites, and monitoring control techniques. It is necessary for this contingent to perform constant launching tasks so that they may exercise their talents and to continuously upgrade their technical level. His personal, tentative idea is to launch another batch of applied satellites, and to further bring into play their economic results. The target is to advance toward the launching of a skylab. The road to successful satellite operations is a clear one. China took its initial steps in the late 1950s. During the past 3 decades, China's accomplishments have been certain, and future prospects are bright.

Ren Xinmin is a modest and steady entrepreneur. He was elected a member of the NPC Standing Committee at the Sixth National Party Congress. His Chinese colleagues elected him chairman of the council of the Chinese Astronautics Society. He is director of the Science and Technology Committee under the Ministry of Astronautics Industry.

Ren Xinmin is from Anhui and studied in the United States in his early years. In 1949, he returned to China from San Francisco on the S.S. General Gordon. For the past 3 decades and more, he has dedicated his wisdom and intelligence to training qualified science and technology people for China's space industry and to building the foundations of the space industry. In 1970, when China's first man-made satellite was launched, Premier Zhou Enlai presented him to Prince Sihanouk in Tiananmen, saying: "He is engaged in satellite launching." This reporter indirectly tried to find out about his life. When asked about himself, Chief Engineer Ren waved his hand and with a smile said: "There's nothing much to say about me; we do everything together."

## DEVELOPMENT OF RURAL COMMODITY ECONOMY REVIEWED

HK240555 Beijing RENMIN RIBAO in Chinese 17 Feb 86 p 5

["Press Digest": "Excerpts From Three Articles Carried in JIANGJIXUE ZHOUBAO [ECONOMIC WEEKLY]"]

[Text] Guiding Individual Economy To Develop in a Healthy Way

While discussing with relevant comrades in Zhejiang Province the development of rural commodity economy in Wenzhou, Xue Muqiao expressed some opinions. He said: At present, the development of individual economy is faster than the collective economy, and the development of the collective economy is faster than the state-operated economy. There are two reasons contributing to this: 1) Production and management of the individual economy are more lively than the collective economy. Production and management of collective economy are more lively than the state-operated economy.

2) Burdens on them are not equal. Burdens on individual economy and collective economy are generally lighter than state-operated economy. Most of the profits they retain can be used for expanded reproduction. It is not a fearful thing to let individual economy develop. The problem is the state-operated economy, collective economy, and individual economy should compete with each other from the same starting line. We should not exercise overly rigid control and exhaust the state-operated economy. To promote modernization, we should rely mainly on state-operated enterprises. However, at present state-operated enterprises are unable to compete with the individual economy and collective economy. The state should exercise more control over individual economy. We should stress control over individual economy and set competition between individual economy, collective economy, and the state-operated economy on the same starting line. Will this squeeze out and destroy the entire individual economy and collective economy? The answer is no. In the future, the state-operated enterprises will mainly manufacture large quantities of products which require high technology. They will not produce everything. We may let collective and individual enterprises manufacture products in a small batch process, along with other small commodities. This will ensure the synchronous development of the state-operated economy, the collective economy and individual economy, and the leading position of the state-operated economy.

Xue Muqiao stressed that we should promote the development of the state-operated economy. However, we should not negate the role of the individual economy. Developing individual economy is a road we must follow while expanding the rural commodity economy. We should pay attention to the individual economy, and guide it to develop in a healthy way.

Attaching Importance to the Theoretical Study Guiding the Reform of the Ownership Relations System.

Liu Guoguang recently pointed out: We should attach importance to the theoretical study of reform in the ownership relations system. He said: The economic structural reform now in progress in China includes two interrelated aspects: The reform of the economic operational mechanism, and the reform of the relations of ownership system. These two kinds of reforms should coordinate with each other. Only thus can achievements be made in the reforms.

The readjustment and reform of the relations of ownership system include two fundamental things: the readjustment of the structure of ownership system and the change of the intension of the state ownership system [guo jia suo you zhi nei han 0948 1367 2076 2589 0455 0355 3211]. Does the intension of the state ownership system need changing? To what extent should it be changed? This is determined by what economic operational pattern we choose. Through reform we should establish a pattern of planned commodity economy. The mechanism on which coordinated economic operation is based is horizontal market regulation. Under such circumstances, it is unavoidable to have a bigger change in the intension of the state ownership system.

The expansion of consumption funds is directly connected to obscured relations between assets and the ownership system within state-operated enterprises. Without changing the intension of the state ownership system, or without a function which represents the interests of the state inside enterprises, it will be difficult for enterprises to achieve their own long-term development and to strive for social benefit.

The proposed pattern [mu biao mo shi 4158 2871 2875 1709] of the reform of the ownership system includes the proposed pattern of the structural reform of the ownership system, and the proposed pattern of the reform of the intensity of the state ownership system. The change of the intensity of the state ownership system determines the focal points of the proposed reform pattern of the entire ownership system.

True difficulties in this regard will be encountered by big and medium-sized enterprises which attain a large proportion of the production output value and tax rate. Experimental reform has shown people that they may take an economic system based on shares as an important means of the ownership system reform. In particular, it can be regarded as an important way for carrying out reform in the enterprises under ownership by the whole people. With regard to the application of a share system to socialist enterprises under ownership by the whole people, we do not yet have completely successful precedents and experiences to go by. We should analyze the positive role and negative influence of the system, formulate a feasible plan, and decide a proposed pattern for the public ownership system suitable for our national conditions.

Having More Discussions on Some Issues

A commentator's article in JINGJIXUE ZHOUBAO says that economic theories are the summation of the practical experience of economy. The more widely and fully practical activities are carried out, the better objective conditions we will have for theoretical summation. Our theoretical summation can reflect objective reality more accurately if we can participate in and observe practical activities in a wider and more profound way, and avoid objective one-sidedness as best we can. However, in practical life different individuals have their own limitations in varying degrees in this respect. Therefore, their understanding of things is often handicapped by one-sidedness to varying degrees. Only by carrying out more discussions to let people express their different or completely different views on the issues concerned from different angles, can they learn from each other's strong points and overcome their weakness to have a better understanding of things.

To have more discussions on some issues, we should not take a static view of previous theories and standpoints. Nor should we take a static view of theories and standpoints of experts and scholars, and especially famous economists, economists of the older generation, and responsible comrades in charge of leading economic work. We should realize that many of their standpoints are unique. We should, first, respect and learn from them. However, there are some limitations in people's understanding of things. They are of no importance. Their limitations in understanding differ in degree only. Therefore, we should have full discussions on their theories and standpoints on a basis of equality.

CONFERENCE ON GOODS, MATERIALS OPENS IN WUXI

OW230851 Beijing XINHUA Domestic Service in Chinese 0742 GMT 21 Feb 86

[Excerpts] Nanjing, 21 Feb (XINHUA) -- The work concerning goods and materials in China has undergone new changes in the course of reform. A well-planned market of production means has taken shape, the circulation of goods and materials has improved, and goods and materials are put to better use. This was the message conveyed at the national work conference on goods and materials which opened in Wuxi City on 20 February.

It is reported that in recent years the state has reformed the system of management of goods and materials, which had remained unchanged for years, thereby gradually replacing mandatory planning with instructional planning and market regulation in managing goods. By 1985, goods and materials allocated by the state had been reduced to 23 categories from 256 in the past. The quantity of coal, rolled steel, cement, and lumber and other important goods allocated by the state in mandatory plans accounted for 19 to 56 percent of the total national output, down from previous percentages. These materials, along with nonferrous metals, electric products, and machinery have been traded in the markets in varying quantities.

The establishment of markets for means of production in the various localities has stimulated purchases and sales of goods and materials by enterprises, localities, and departments and by rural and urban areas. According to incomplete statistics, the amount of rolled steel, lumber, and cement acquired by local enterprises from these markets accounted for two to three-fifths of the total amount consumed by these enterprises.

While developing the markets for means of production, the state goods and materials departments have also constantly improved the method of material supply and distribution. Economists consider this multichannel system of goods and materials circulation, which incorporates market regulation and planning, an important reform in the work of goods and materials management in China, saying it will invigorate the circulation of goods and materials.

XIZANG HOLDS GRAND RELIGIOUS VOW-MAKING CEREMONY

HK210603 Lhasa Xizang Regional Service in Mandarin 1130 GMT 17 Feb 86

[Excerpts] Today is the eighth day of the first month of the Tibetan calender, as well as the first day of the grand religious vow-making rally [chuan zhao da fa hui] held in Lhasa. In the age-old Dazhao Temple, the sound of making vows, praying, and reading scripture, which has been suspended for more than 20 years, can now be heard again. Nearly 2,000 old persons from three famous temples, (Redui) Temple, and the Buddhism Institute gathered here today to officially hold the first plenary meeting of the 1986 grand vow-making rally. The orderly and melodious sound of scripture reading not only expressed the aspirations of religious believers, but also indicated that the restoration of vow-making activities is an important action to implement the party's nationality and religious policy. It tallies exactly with the actual situation as almost all people are religious believers in Xizang, and has been warmly welcomed and supported by the broad masses of religious believers.

(Bu mi qiang ba luo zhu), vice chairman of the Xizang Buddhist Association, presided over today's rally on behalf of Lhunzhub Tabkyai, acting chairman of the association.

Bainqen Erdini Qoigyi Gyaincain, honorary president of Buddhist Association of China, made a special trip to Lhasa from Beijing on 14 February to attend the grand rally. Today the Grand Master Bainqen personally went to Dazhao Temple to attend the grand vow-making rally.

As the region's largest religious activity, the grand vow-making rally was protected by the party and government and held every year during the period from the domestic reform to 1965. However, during the 10 years of internal disorder, due to the influence of leftist ideas, the party's policy on freedom of religious belief was undermined. As a result, the grand vow-making rally was suspended for 20 years from 1966. In order to further eliminate leftist ideas; to thoroughly negate the Cultural Revolution; to earnestly implement the party's policy on freedom of religious belief; to meet the needs of religious and patriotic personages and the broad masses of religious believers; and to restore the grand vow-making rally, a religious activity handed down through history, the regional people's government issued a notice on 16 December 1985 in which it decided to restore the grand vow-making religious rally which had been suspended for 20 years and to underwrite all costs needed in the grand rally. In accordance with the views of people from all parts, the Xizang branch of the Buddhist Association of China and the Lhasa Buddhist Association decided that this year's grand vow-making be held in Dazhao Temple from the 8th to the 16th day of the first month of the Tibetan calendar.

Responsible comrades of the regional CPC Committee, the regional People's Congress Standing Committee, the regional People's Government, and the regional CPPCC Committee are to attend the rally to meet all the participating monks and take part in alms giving.

At 1200 on 17 February, Lhasa's Dazhao Temple was astir with jubiliant crowds. More than 100,000 monks and religious believers gathered here to warmly welcome regional party and government responsible comrades who came to the religious rally to give alms to the participants. At the rally, a congratulatory message from the regional CPC Committee, the regional People's Congress Standing Committee, the regional People's Government, and the regional CPPCC Committee was read to the participants.

Attending the rally to give alms to the participants were regional party and government responsible Comrades Wu Jinghua, Pagbalha Geleg Namgyai, Raidi, Doje Cering, Mao Rubai, Dangzin, Gyanincain Norbu, Hu Songjie, Sengqen Lozong Gyaincain, Cao Xu, Lang Jie, Jangzhong Zhaxidoje, Samding Doje Pamo, Gyamco, Puqung, Gyibug Puncogcedain, Tudao Doje, Gong Daxi, Jimzhong Gyaincain Puncog, Gaxoi Qoigyai Nyima, Danzeng Jiacuo, Lhalu Cewang Doje, Yongzeng Tudeng Tangba, Huokang Suolang Bianba, Tangmai Gongjue Baimu, and Gongbasa Tudeng Jihan.

On behalf of the regional CPC Committee, the regional People's Congress Standing Committee, the regional People's Government, and the regional CPPCC Committee, (Yang Houdi), deputy secretary-general of the regional CPC Committee, and other comrades gave alms to the participating monks. On behalf of all the participating monks, the living Buddha (Li Zhu), host of the grand rally, presented in return hadas and candies to the regional responsible persons who came to give alms to them, and extended heartfelt thanks to the party and people's government for showing concern for them.

## Bainqen Erdini Speaks

HK210835 Lhasa Xizang Regional Service in Mandarin 1130 GMT 18 Feb 86

[Excerpts] On 17 February Bainqen Erdini Qoigyi Gyaincain, honorary president of the Buddhist Association of China, went to Lhasa's Dazhao Temple to watch the grand vow-making religious ceremony. He also delivered an important speech to the masses in which he praised highly the party's policy on religion.

At about 1400 on 17 February Grand Master Bainqen went up to the roof of the Dazhao Temple together with regional party and government leaders Wu Jinghua, Pagbalha Geleg Namgyai, Raidi, and Doje Cering, who came to the temple to issue alms. They waved to greet nearly 10,000 people who gathered in the square in front of the Dazhao Temple. Amid warm applause, grand master Bainqen delivered an important speech to the masses, praising highly the party's policy on religion.

In his speech the grand master expressed the hope that the masses will love the communist party, love the motherland, strengthen the unity between nationalities, and do their utmost to build a new socialist Xizang which is united, prosperous, and civilized.

## Bainqen at Religious Test

HK230347 Lhasa Xizang Regional Service in Mandarin 1130 GMT 20 Feb 86

[Text] On the evening of 19 February Bainqen Erdini Qoigyi Gyaincain, honorary president of the Buddhist Association of China, went to Dazhao Temple to watch an academic examination of the (Ge Xi) degree in the grand religious vow-making rally.

Accompanying the Grand Master Bainqen to watch the examination were Pagbalha Geleg Namgyai, vice chairman of the regional People's Congress Standing Committee; Raidi, deputy secretary of the regional CPC Committee; Gongbasa Tudeng Jizha, vice chairman of the regional CPPCC Committee; (Song Ying Ping), deputy director of the no 2 bureau of the CPC Central Committee's United Front Work Department; and the living Buddha (Jia Ya), Bainqen's scripture teacher. More than 1,000 monks attending the grand religious vow-making rally warmly welcomed the Grand Master Bainqen in a traditional religious manner.

The academic examination is an important part in obtaining the (Ge Xi) academic degree in the grand religious vow-making rally. In this year's religious rally, six persons will take the examination for the (Ge Xi) degree. They come from three famous temples in Lhasa. Two persons have now passed the examination. (Yu Xi and Wang Jiu), from the (Sela) temple, took the examination on the evening of 19 February. The Grand Master Bainqen watched the examination with interest and worshipped.

ZHAO ZIYANG, OTHERS INSPECT HAINAN FACTORY

HK251834 Haikou Hainan Island Service in Mandarin 0400 GMT 23 Feb 86

[Excerpt] The Haikou emulsion plant has vigorously developed export products to earn foreign exchange according to local resources, achieving good economic results. Since its establishment 10 years ago, the plant has made profits every year. It has submitted a total of 10 million yuan in profits and taxes to the country. About 80 percent of the plant's products are for export, sold in 48 countries and regions in the Middle East, America, and Europe. Since 1981, the plant has earned about d5 million from exporting its products. During the Spring Festival of 1986, central leading comrades Zhao Ziyang, Hu Qili, Tian Jiyun, and others inspected the plant, encouraging workers and staff of the plant to vigorously develop export products to earn more foreign exchange.

HU YAOBANG ON UTILIZATION OF SURPLUS MANPOWER

OW260101 Shanghai JIEFANG RIBAO in Chinese 21 Feb 86 p 1

[Text] According to ZHONGGUO JIAOYU BAO [0022 0948 2403 5148 1032 CHINA EDUCATION NEWS], Comrade Hu Yaobang said the following recently: Our various organs, universities, scientific research units, and literary and art groups all have more personnel than required. What shall we do with these extra personnel? One option is to organize them to pursue educational activities again. A second one is to open job opportunities, such as rendering consultation services and forming counselor groups for primary schools. These kinds of activities, if carried out in economic departments, refer to diversified operations. In departments dealing with culture, education, science, and technology, they may refer to activities of one specialty but relate to a wide variety of concerns.

NI ZHIFU ACCOMPANIES PENG ZHEN IN TIANJIN

HK210836 [Editorial Report] Beijing Domestic Television Service in Mandarin on 20 February, during its regular 1100 GMT newscast, shows a 2.5-minute film clip on Peng Zhen, member of the Political Bureau of the CPC Central Committee and chairman of the NPC Standing Committee, making an inspection tour of Tianjin on 18 and 19 February. The film opens with shots of Peng Zhen arriving at a building on 19 February and stepping down from a bus with the assistance of Ni Zhifu, identified by the announcer as secretary of the Tianjin Municipal CPC Committee. It then shows Peng, accompanied by Ni Zhifu and Tianjin Mayor Li Ruihuan, entering the building.

Ni Zhifu's presence during Peng Zhen's 19 February visit to Tianjin is not mentioned in a report carried by Beijing XINHUA Domestic Service in Chinese at 1210 GMT on 19 February. Beijing Domestic Television Service in Mandarin on 20 February, during its regular 1100 GMT newscast, does not mention Ni Zhifu's CPC Political Bureau membership and merely identifies Ni as secretary of the Tianjin Municipal CPC Committee as he is shown accompanying Peng Zhen in Tianjin on 19 February.

YANG SHANGKUN INSPECTS NANJING TRAINING REGIMENT

OW250600 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 22 Feb 86

[Text] Accompanied by Commander Xiang Shouzhi and Political Commissar Fu Kuiqing of the Nanjing Military Region, Yang Shangkun, member of the Political Bureau and permanent vice chairman of the Military Commission of the CPC Central Committee, inspected the training regiment of a certain unit under the Nanjing Military Region on the morning of 22 February. The training regiment was created in October, when an infantry regiment was reorganized. The regiment is now responsible for training recruits for the infantry, tank, and two other arms of the services, as well as cadres.

At a little after 0900, Yang Shangkun, riding in an open car with Commander Xiang Shouzhi and Political Commissar Fu Kuiqing, reviewed the phalanxes, formed by recruits of the training regiment, as they passed in review. Yang Shangkun was greatly delighted by their heroic appearance, their marching, and their accurate and standard movements. He said: This scene demonstrate soldierly style and bearing. It is only 3 months since the regiment started its training, and the regiment has achieved so much. This shows that the training regiment, as a new training system, is tremendously superior. While touring the training planning office of the regiment, Yang Shangkun carefully viewed charts indicating its organization, training, training units, implementation of training, and plans for training.

(Hao Jinming), commander of the regiment, briefed Yang Shangkun: Training groups are set up at various levels in the regiment, and each teaching and research room consists of only two to three personnel. After hearing this, Yang Shangkun said: Such organization is good and compact.

Yang Shangkun, full of zest, visited the teaching and research room of the 3d Battalion. Then, Regimental Commander (Hao Jinming) told him: The regiment has set up teaching centers with audio-visual aids, mainly with closed-circuit television. Every company can conduct classes using closed-circuit television. In the past, a classroom was equipped only with a blackboard and chalk, but it is now equipped with video recorders, slides, charts, and many other teaching aids. Nodding and smiling, Yang Shangkun said: It is necessary to have modern teaching conditions in order to set up a training system like a school. You have done a good job in this regard. Yang Shangkun also visited the 10th Company's living facilities.

Following the inspection, Yang Shangkun called on leading comrades at various levels in the Nanjing Military Region attending an impromptu training meeting at the headquarters of the training regiment. In his important speech, Yang Shangkun said: Training regiments are new, appearing since the Army's structural reform and reduction - in-strength reorganization. We have just started setting up training regiments and should pay attention to improving such regiments in order to gain experience and to popularize them throughout the Army. On strengthening ideological and political work among the new fighters of the training regiment, Yang Shangkun said: When new fighters are recruited, they should be taught to understand why they should serve in the armed forces. In doing political work, attention should be paid to persuasion and education. New recruits have various interests, and it is necessary for cadres to be good at giving them guidance.

## LI PENG ADDRESSES COMMUNICATIONS CONFERENCE

OW250018 Beijing XINHUA Domestic Service in Chinese 1455 GMT 24 Feb 86

[By reporter Li Anding]

[Text] Beijing, 24 Feb (XINHUA) -- In order to further improve the transportation system during the Seventh 5-Year Plan, it is first necessary to make reforms; second, to tap the potential and carry out technological transformation; third, to pay close attention to key construction projects; and fourth, to do a good job in building spiritual civilization, said vice premier of the State Council Li Peng at a national communications conference today.

Li Peng said: The Ministry of Communications has already taken the first step in reforming the management system. From now on, the ministry should further separate government from enterprise functions, and supervise the industry as a whole instead on individually supervising enterprises. Government communications departments should continue to set principles and policies and do a good job in coordination in order to provide better service and help enterprises resolve difficulties. Following Tianjin port, Shanghai and Dalian ports will be given self-management powers this year. Except for a few key ports, local authorities will greadually by granted self-management powers for all ports.

Li Peng said: Although our transportation system is overworked, there remains great potential in the existing transport facilities. For example, due to uneven distribution of transportation assignments, a number of small and medium-sized ports are operating below capacity; the average speed of motor transport vehicles is only 30 km, and we should be able to increase the transport capacity by improving road surfaces and strengthening management to speed them up. Therefore, it is necessary to effectively carry out technological transformation, plan production, and exercise scientific management in order to tap the potential or existing enterprises.

Calling for keen attention to key capital construction projects, Li Peng said: It is necessary to guard against raising construction standards without a clear objective, and adopt advanced and flexible technologies. We should be fully aware that communications is a major branch of the service industry, as well as a window on socialist spiritual civilization. Therefore, it is necessary to pay close attention to building the two civilizations simultaneously.

## LI PENG SPEAKS TO ARMY ACADEMIES CONFERENCE

OW260034 Beijing XINHUA Domestic Service in Chinese 1214 GMT 25 Feb 86

[Text] Beijing, 25 Feb (XINHUA) -- Addressing an all-Army conference of military academies and schools today, Li Peng, vice premier of the State Council and chairman of the State Education Commission, emphasized that it is necessary to gear education to the "needs of the modernization drive, the world, and the future," and that this should be the basic guiding principle for reforming and promoting national, as well as military, education.

The 13th all-Army conference of military academies and schools opened in Beijing on 17 February. In his speech, Li Peng pointed out: The conference will have far-reaching significance in bringing about a strategic shift in the work of Army academies and schools, promoting military education, training modern, capable personnel for our times, facilitating the Army's modernization and regularization, and making it more revolutionary.

Li Peng said: Education is the foundation for, while specialized personnel are the key to, modernizing the Army. Over the past 5 decades, our Army has accumulated rich experience in running schools and has fostered a complete system of fine traditions and school style, which are valuable assets, not only for military academies and schools, but also for all schools of higher learning throughout the country. He stressed: A new, surging, worldwide technological revolution has stimulated a rapid development in military sciences and set higher demands on our schools and on the training of personnel. Therefore, it is also necessary to reform military education.

Li Peng pointed out: A top priority task in implementing Comrade Xiaoping's principle of gearing education to the "needs of the three aspects" is to take concrete action. In gearing education to the needs of the modernization drive, it is necessary to promote military education in accordance with the demands of the modernization drive, so that it can serve the Army better; in gearing education to the needs of the world, it is necessary to do away with the closed school system of the past, study and understand the world, and effectively assimilate and apply the latest achievement in the world's military sciences and technology to improve our school system; and in gearing education to the needs of the future, it is necesary to fix our attention on training capable personnel needed for the 1990's and 21st century. From an overall point of view, it is necessary to give top priority to the training of personnel and education.

Li Peng said: Military education is an important component of national education as a whole, and it should be closely combined with that in the localities, especially their higher education. The development of military education is inseparable from national economic and educational development. When military academies and schools are effectively run, they can also help promote the development of national education.

Therefore, military academies and schools of higher learning in the localities should learn from and support each other in order to achieve common progress. While concentrating mainly on the study of military affairs, military academies and schools should also train skilled personnel for both Army and local construction. Schools of higher learning in some localities should give consideration to training military personnel. Local schools of higher learning may train, on behalf of military academies and schools, small numbers of specialized personnel in certain fields needed by the Army. In order to intensify the building of the Army, improve the educational quality of local schools of higher learning, and promote moral, intellectual, and physical education in a comprehensive manner, local schools of higher learning should give due attention to training specialized personnel for military reserve forces.

In conclusion, Li Peng said: We are convinced that, through this conference, military academies and schools will make persistent and bold efforts at reform, and explore a new road for promoting military education, conforming to reality in China and with the special characteristics of the Chinese Army, thereby making a success of their schools, serving as good examples for all schools across the country.

DENG XIAOPING INSCRIBES BIOGRAPHY TITLE PAGE

OW202357 Beijing Domestic Service in Mandarin 1200 GMT 19 Feb 86

[Summary] On the eve of the 100th birthday of Dong Biwu, "The Biography of Dong Biwu," whose title is inscribed by Deng Xiaoping, will soon be on sale across the nation. Backed up with rich historical materials, the biography records the lifelong struggle of Comrade Dong Biwu for national salvation and people's welfare.

## ANHUI PROTECTS RIGHTS OF SELF-EMPLOYED WORKERS

OW221043 Hefei Anhui Provincial Service in Mandarin 1100 GMT 18 Feb 86

[Text] To safeguard the legitimate rights and interests of self-employed workers and businessmen and to stimulate economic development in both urban and rural areas, the Anhui Provincial People's Government recently issued a notice on protection of the legitimate rights and interests of self-employed workers and businessmen. The notice stresses that the individual economy of workers in urban and rural areas serves as a supplement to the socialist economy based on public ownership. The provisions set forth in the notice are:

Legitimate property and income of self-employed workers and businessmen in urban and rural areas are protected by state law, and no unit or individual is allowed to infringe upon them.

Industrial and commercial administrative departments and other units concerned should simplify procedures for examination and approval of applications submitted by individual urban and rural laborers to open up shops or stores. The time required for such examination and approval should be shortened, and there should be no excuse for delays.

No unit or individual is allowed to randomly occupy, tear down, or destroy shops, shelters, and stalls set up by self-employed workers and businessmen doing business with approval from the authorities concerned. If they must be torn down and removed as required by the city or town construction program, the individual worker or businessman concerned should be duly compensated in advance.

The departments concerned should make active arrangements, according to relevant state regulations, for the supply of goods and raw and auxiliary materials required by self-employed workers and businessmen for their production and operations. Within their approved scope of operations, however, self-employed workers and businessmen may seek their own sources of, and open more channels for, the supply of goods and raw and auxiliary materials to meet their requirements.

When buying products from self-employed workers and businessmen in urban and rural areas, no one is allowed to randomly downgrade their quality or force prices down.

Self-employed workers and businessmen should register with the authorities concerned for tax purposes in a timely manner and should pay taxes according to regulations. Under no circumstances should they evade taxes. Tax departments at various levels should levy taxes on self-employed workers and businessmen in strict accordance with the regulations. They should not impose new taxes without authorization and should avoid double taxation.

Besides the fees stipulated by the state and the provincial people's government, no department or unit should collect additional fees or raise the amount of fees to be collected from self-employed workers and businessmen. Any act to forcibly become a stockholder of a shop or store owned by a self-employed worker or businessman or to share in its profit through unlawful means is prohibited.

Self-employed workers and businessmen have the right to reject and question the collection of fees and levies in violation of regulations and any act forcing them to commit criminal offenses. Such collection and acts should be banned and dealt with seriously by people's governments at various levels.

## FUJIAN LEADERS' SPRING FESTIVAL ACTIVITIES

OW212340 [Editorial Report] Fuzhou FUJIAN RIBAO in Chinese on 11 February frontpages three short reports, totaling about 600 characters, on the following activities of some Fujian provincial leaders during the Spring Festival holiday:

Xiang Nan, secretary of the Fujian Provincial CPC Committee, visited and exchanged Spring Festival greetings with some veteran Army cadres at or above corps level at the Fujian Military District and the Fuzhou Cadres Rest Home on 10 February. Accompanying Xiang Nan on the visit were Zhang Zongde [1728 1350 1795], member of the Standing Committee of the Fujian Provincial CPC Committee and commander of the Fujian Military District, and Cong Lizhi [0654 4539 1807], political commissar of the Fujian Military District.

Governor Hu Ping, Vice Governor Wang Yishi, and Deputy Commander of the Fijian Military District Chen Shuqing [7115 28885 3237] visited commanders and fighters of Army companies, naval posts and coastal artillery batteries, and local fishermen on the Huangqi peninsula in northeastern Fujian on 10 February.

On 8 February, Hu Ping and Wang Yishi visited and extended Spring Festival greetings to workers and cadres at a grain and edible oil warehouse of the Fuzhou east railway station, the Fuzhou seasonings plant, and the Fuzhou winery.

## JIANGSU MILITARY DISTRICT CORRECTS PARTY STYLE

OW241203 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 21 Feb 86

[Text] In the course of reviewing party style, the party committees at the corps, divisional, and regimental levels under the Jiangsu Provincial Military District persistently took the lead and mobilized their party secretaries to earnestly combat unhealthy tendencies, boldly expose contradictions, and bring about a fundamental change for the better in party style.

Of the 28 major problems discovered, 20 were properly handled. Action is being taken to handle the remaining eight problems. Last year, the provincial military district, together with the party committees and organs at the divisional level, had compared their performance to the guidelines laid down by the documents issued by the central authorities and the important speeches of the leading comrades at the central level and boldly exposed the problems which existed in party committees and organs at and above the regimental level in discipline, organization, production, and management. They demanded that the relevant departments carefully review and properly handle the problems.

Taking advantage of the opportunity of the streamlining and reorganization of the Army, several persons of a certain regimental garrison took videotape recorders, cameras, and other public properties with them when they left the regiment. The party committee of the Yancheng miltiary subcommand sent a work team to conduct investigations. The team succeeded in retrieving the 14 items of government property which had been taken by 13 cadres and fighters.

In light of the fact that some cadres occupy two houses each, the party committee of the Lianyungang military subcommand checked house by house. As a result, it has readjusted the rent of 30 cadres' houses and has made 189 families pay their utility bills totaling 8,900 yuan.

In order to help combat unhealthy tendencies, the provincial military district also widely publicized the advanced experience of seven units of a certain regimental garrison under the Lianyugang military subcommand in correcting party style.

SHANGHAI PEOPLE REFLECT ON EXECUTION OF RAPISTS

HK222300 Beijing ZHONGGUO XINWEN SHE in Chinese 1240 GMT 21 Feb 86

[Text] Shanghai, 21 February (ZHONGGUO XINWEN SHE) -- The lawful execution of three rapists, Chen Xiaomeng, Hu Xiaoyang and Ge Zhiwen, has had a great impact on Shanghai's citizens. People of all circles have expressed satisfaction over the court decision by the judicial departments, which carried out the principle of "everyone is equal before the law."

The Shanghai media have reported the case over successive days, along with the proceedings of the public security and judicial departments who handled the case. Having an understanding of how the case was handled, quite a number of people now feel that the CPC's determination to rectify party style is not just a matter of lip service.

Li Guoji, a senior lawyer and director of the Shanghai No 5 lawyers' office, told the reporter of this agency: The fact that the sentencing of this gang of criminals has had an extremely great impact on people of all social strata in Shanghai proves how people have detested the acts of sons and brothers of senior cadres, who count on their powerful connections to perpetrate outrages.

The police officers of the Luwan branch of the Shanghai Public Security Bureau who are in charge of this case said: The criminals Chen Xiaomeng, Hu Xiaoyang, and another rapist were severely punished according to the law. This has strengthened our confidence in handling cases involving people in similar categories. We believe it will now be much easier to deal with cases like this. Moreover, they told the reporter that when some prisoners serving sentences learned about the sentence in this case, they said they now believe the Communist Party would handle such matters according to the law.

In discussing the case, the workers of the "Minzhu yu Fazhi" office, in which the criminal Chen Xiaomeng once worked, said: Relying on their powerful connections, this gang of criminals possessed spacious living quarters, which gave them the facilities for committing crimes. However, the key element was their connections as sons and brothers of senior cadres, believing that the government would not touch them even if they had committed a crime, or that someone would protect them. They thus felt secure in the knowledge that they had strong backing and could do whatever they liked. They were wrong.

A researcher of sociology has said that this served this gang of criminals right. It is really a good thing, even if the whole case has been tortuous. He said senior cadres should undertake self-criticism of their children when they commit crimes. This will not only educate the parents themselves, but will be beneficial to the prestige of the Communist Party.

Station Commentary

OW220810 Shanghai City Service in Mandarin 0100 GMT 20 Feb 86

[Station commentary: "Execute One as a Warning to a Hundred and Punish Severely Without Mercy"]

[Excerpt] Some serious criminal elements were sentenced in Shanghai Municipality on 19 February. All six culprits were sons of cadres, and a few were sons of high-ranking cadres. The people rejoiced at and applauded such concrete action to improve party and social conduct.

The CPC Central Committee has, on more than one occasion, stressed the need to simultaneously grasp construction and the legal system in advancing the four modernizations drive. Facts testify to the need to first crack down on major criminal cases in order to rectify unhealthy tendencies. Cracking down on major crimial cases that seriously jeopardize public security has widespread social implications and will boost the morals and confidence of the cadres and masses in struggling against unhealthy tendencies. The bulk of leading cadres and noted figures, as well as their relatives, sons and daughters, are good or relatively good. Howeve, in accordance with the principle of equality before the law, no leniency is shown toward lawbreakers because of family background. Those who deserve it must be executed. We must execute one as a warning to a hundred. Only by intensified investigation, cracking down on major criminal cases known to the people, and meeting out stern punishment to those involved can we demonstrate the party's resolve to rectify party and social conduct. And only thus can we enhance the people's confidence in bringing about a change for the better in party and social conduct.

The CPC Central Committee's current line, principles, and policies are correct. Due to reform and the policy of opening to the outside world, we have scored satisfactory results in economic development, and the situation is gratifying. However, failure to bring about a fundamental change for the better in party and social conduct will adversely affect our policy of upholding reform and opening to the outside world and will hamper the entire national economic development. Hence, we must never lower our guard on issues relating to party and social conduct. We must steadfastly improve party and social conduct in a sustained manner. We must sternly punish lawbreakers and lawbreaking acts that undermine construction and relentlessly squelch unhealthy tendencies. Only thus can we expect marked improvements in party and social conduct and bright prospects in reform, opening to the outside world, and modernization.

ZHEJIANG'S WANG FANG ADDRESSES RURAL WORK MEETING

OW240416 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 21 Feb 86

[Excerpts] Wang Fang, secretary of the provincial party committee, pointed out at a recent rural work conference convened by the provincial party committee: In further readjusting the structure of agricultural production this year, it is necessary to correctly handle the relationships between grain production and diversified economic undertakings, between the development of rural commodity production and the guarantee of supplies for urban residents, and between the development of village and town enterprises and that of agriculture.

Comrade Wang Fang said: Steadily developing grain production is a prerequisite for readjusting the structure of agricultural production. Grain production has been comparatively good in the past 2 years. This is why we have been able to release some land for the development of diversified economic undertakings. But the present acreage sown to grain crops must remain stable, and it must not be reduced while readjusting the structure of agricultural production.

Comrade Wang Fang said: Facts show that with the development of village and town enterprises, agricultural production has expanded and peasants have become better-off. However, an income gap has affected some people's enthusiasm for engaging in agriculture. To solve this problem, it is necessary to uphold the policy of industry subsidizing agriculture, to increase the self-readjusting ability of the rural economy, and to further strengthen agriculture as the foundation of the economy.

## GUANGDONG COUNTY SECURITY CHIEF JAILED

HK242139 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 21 Feb 86

[Text] Wang Deyu, former Standing Committee member of the Jiexi Country CPC Committee, chairman of the county political and law committee, and chief of the county public security bureau, today was sentenced by the Shantou City Intermediate People's Court to 13 years' imprisonment and 4 years' deprivation of political rights for accepting bribes.

Since 1979, Wang Deyu, by taking advantage of his power, has accept bribes on 48 occasions from those applying for exit permits. The bribes included 12,000 yuan and HK$1,500 in cash, a gold necklace, a television set, a washing machine, a hi fi receiver-recorder, and many daily necessities, totaling more than 30,000 yuan.

## HUBEI'S GUAN GUANGFU SPEAKS AT ORGAN CADRE MEETING

HK240833 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 20 Feb 86

[Excerpts] Yesterday morning, the provincial CPC Committee held a meeting of provincial organ leading cadres. The meeting further studied the important speeches and instructions of central leaders such as Hu Yaobang, Deng Xiaoping and Chen Yun. It also introduced the recent situation of studying the spirit of the central instructions on improving party work style as well as the situation of simultaneous rectification and correction of defects, and handling major cases. The meeting also made further plans for conducting in-depth work in correcting the party work style of provincial organs, so as to strive for a remarkable change for the better this year in the party work style of provincial organs.

The meeting was attended by responsible comrades of the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial government, the provincial CPPCC and the provincial Discipline Inspection Commission. Also present were leading cadres of departments, committees, offices, bureaus and corporations directly under the provincial authorities; Wuhan City, large enterprises; and colleges and universities.

In connection with suggestions by the provincial CPC Committee Standing Committee, Guan Guangfu, secretary of the provincial CPC Committee, made a speech. Ding Fengying, Standing Committee member of the provincial CPC Committee and deputy secretary of the provincial Discipline Inspection Commission, conveyed the spirit of the seventh plenary session of the Central Discipline Inspection Commission. The meeting was presided over by Zhao Fulin, deputy secretary of the provincial CPC Committee and secretary of the provincial Discipline Inspection Commission. The meeting was also attended by deputy secretaries of the provincial CPC Committee, including Guo Zhenqian, Wang Qun and Qian Yunlu.

Comrade Guan Guangfu discussed five issues in his speech. They were: First, we should seriously study the spirit of the central instructions, heighten our understanding, and establish a steadfast determination and firm faith. He proposed that when studying and understanding the spirit of the central instructions, we must solve well the following ideological issues: First, we must further understand the importance of correcting party work style under the prerequisite of not changing the nature of our construction undertakings. Second, both leading organs and leading cadres must have a strong sense of responsibility, and take the lead in correcting party work style. Third, we must establish a firm faith in correcting party work style. Some people feel that this is a tough issue.

However, it is simple, because it involves leading organs and leading cadres, and this is just the point which has been grasped by the central authorities. Judging from this, the prospects for the work are very promising. Further, we must have a sense of urgency when correcting party work style. We should follow the examples of the central authorities and grasp the work well.

Second, the provincial organs must set examples for the province. Guan Guangfu said that in this respect, the provincial CPC Committee Standing Committee must first set examples for the province. The Standing Committee recently measured itself by the standards of the central authorities, and analyzed several unhealthy tendencies prevailing among the provincial organs. In addition, the committee formulated preliminary measures for rectification and correction of defects. Second, the provincial organs must take the lead in checking unhealthy tendencies in connection with the central instructions on the problems of organs. They must implement the five regulations recently formulated by the central authorities. Third, the provincial organs must resolutely check the unhealthy tendencies of liberalism. Fourth, provincial organs must further perfect the activities of party organizations at various levels, and take the lead in restoring and carrying forward the good and normal practices of criticism and self-criticism. Fifth, they must consciously subject themselves to the supervision of the masses. Sixth, they must uphold principles and handle matters impartially.

Third, we should seriously handle major cases so as to promote in-depth development of the work of correcting party work style among provincial organs. Guan Guangfu stressed that when promoting a fundamental turn for the better in party work style and the general mood of society, we must begin from typical cases, particularly the major ones. We must uphold principles, be bold in tackling tough issues, and never be soft on cases.

Fourth, the whole party should grasp the work of improving party work style and carry out the responsibility system concerning the work. Guan Guangfu proposed: When implementing the responsibility system, we must manage to do it in such a way that first, the party committees strengthen centralized leadership and personally handle work in connection with their own organizations, organs and systems. They should include in their agenda the work of improving party work style. Second, leading cadres and leading organs should set examples in correcting party work style. Third, they should conduct education on party spirit, discipline and work style well, and improve the quality of party members. Fourth, they should be bold in promptly and resolutely grasping and handling issues concerning party work style. Fifth, discipline inspection cadres must make their proper contributions with a noble mental attitude and fine work style. Sixth, under the centralized leadership of party committees, the various departments concerned should handle work through the division of labor. These are the basic requirements for implementing the responsibility system, as well as the guarantees for implementing work concerning party work style down to the grass roots.

Fifth, we should resolutely and unremittingly grasp our work well and strive for a fundamental turn for the better in party work style. Guan Guangfu put forward that the general aim of correcting party work style among the provincial organs is to act in the spirit of Comrade Hu Yaobang's speech delivered at the central meeting of organ cadres. We should strive in an all-round way, to meet the requirements of improving efficiency, studying hard, strictly enforcing discipline and strengthening party spirit. We must set examples for the province with our noble mental attitude and fine work style. In connection with the requirements of the central authorities, we must resolutely and unremittingly do well in our solid work and strive for a fundamental turn for the better in party work style, as well as well as establishing the model work style.

In order to achieve the former during this year, we must concentrate our efforts on seriously hitting at several unhealthy tendencies, strengthen education on party spirit, and strictly enforce discipline.

In his conclusion Guan Guangfu said that when we carry out work among the provincial organs, various prefectural, city and autonomous prefectural CPC committees should not take a wait-and-see attitude. Instead, they should strive for a remarkable change for the better in their organs' party work style this year. They should meet the following requirements in the work:

First, they should basically check several unhealthy tendencies. The province should basically implement the recent central regulations on correcting party work style.

Second, they should handle the major cases.

Third, they should do well in: Conducting education on party spirit and ideals; strictly enforcing both the party and government discipline; perfecting the activities of party organizations; and checking the unhealthy tendency of liberalism so that the mental attitude of party members and cadres of organs will be greatly improved, and the phenomenon of having lax discipline will be put to an end.

Fourth, they should strive to overcome bureaucratism, particularly such practices as shifting responsibility onto others, formalism and putting on airs. Instead, they should improve their efficiency.

Fifth, they should ensure and promote a smooth progress in reforms, economic construction and other work, and further create a new situation in the work of organs. He said: I hope that you will make concerted efforts and make proper contributions toward achieving a fundamental turn for the better in party work style.

## GUIZHOU HOLDS MEETING ON CORRECTING PARTY STYLE

HK252207 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 22 Feb 86

[Text] On the afternoon of 20 February, Ding Tingmo, deputy secretary of the provincial CPC Committee, convened a report meeting on correcting party style. The meeting put forward five views: It is necessary to continuously and penetratingly study the speeches of the leading comrades of the central authorities, to improve the work style of the organs, to give play to the exemplary role of the organs at the provincial level, and to really correct unhealthy trends.

The meeting heard reports from the seven party style correction supervision and inspection groups of the provincial CPC Committee on the situation in study, straightening out work style, and initial reform at the previous stage in 28 units, including the provincial electric power bureau, commerce department, communications department, national defense industry office, coal department, propaganda department and the organization department of the provincial CPC Committee, provincial People's Congress, and provincial CPPCC Committee. At the meeting, Comrade Ding Tingmo put forward five specific views on the next step in the work:

1. It is necessary to understand and inspect whether or not the party groups and CPC committees of all units have studied penetratingly and grasped firmly and thoroughly the serious implementation of the principle of resolutely and persistently correcting party style and the unhealthy trends and eliminating corrupt phenomenon which was put forward by the central authorities.

2. It is essential to understand and inspect whether or not unhealthy trends, which are not beneficial to reform and which impair the interests of the party and state, really exist in our own units.

3. It is imperative to step up the investigation and handling of big and serious cases and cases of violating discipline. Special persons must be assigned responsibility for this work. We must by no means be dilatory in doing things. We must avoid quibbling over trifles and make prompt decisions.

4. We must inspect the situation in conducting education in party spirit by all units. Through education in party spirit, we must strengthen the principle of party spirit and ensure that individualism is opposed in ideology, bureaucratism opposed in work style, and liberalism opposed in politics.

5. We must understand, inspect, and supervise the situation in straightening out all aspects of discipline, including personnel, financial and economic discipline and discipline in foreign affairs and business trips. We must really formulate measures so as to ensure that there are regulations for us to abide by and that regulations, if any, are observed.

## XIZANG COMMENTARY ON RESPECTING RELIGIOUS BELIEFS

HK210605 Lhasa Xizang Regional Service in Mandarin 1130 GMT 17 Feb 86

[Station commentary: "The Best Indication of Party Policy on Freedom of Religious Belief"]

[Excerpt] Since the regional People's Government issued a notice to restore the grand vow-making religious rally in Lhasa, there have been strong repercussions both inside and outside the region. All monks and religious believers were elated and filled with exultation.

At a time when people throughout the region were warmly celebrating the New Year's Day of the Tibetan calendar, between one and two hundred thousand religious believers and monks gathered in Lhasa to happily attend the grand vow-making rally. This fully shows that the party's policy on freedom of religious belief is popular. We hereby extend late new year's greetings to the religious believers and monks from all over the region and wish them happiness and good luck.

The grand vow-making religious rally has been held for more than 570 years and has become a traditional religious occasion in the region. After the peaceful liberation of Xizang, the party and people's government resolutely implemented party policy on freedom in religious beliefs. During the days when the grand rally was held every year, they organized a great number of medical personnel to prevent and treat the religious believers' diseases and organized teams to clean the streets of Lhasa. The Xizang CPC Committee, the Xizang Military District, and the preparatory committee of the Xizang Autonomous Region in later years all gave alms to monks every year. However, during the 10 years of internal disorder, the grand vow-making religious rally was forced to be suspended. Now the regional People's Government has decided to restore the grand vow-making religious rally, which fully proves that our country and party have all along the religious beliefs of minority nationalities, always mean what they say, and have been supported by the people.

We must also realize that due to the influence of leftist ideas during the Cultural Revolution a series of correct policies formulated by the CPC Central Committee on Xizang were wrongly criticized and the special situation that nearly all people in Xizang are religious believers was denied. The party's policy on freedom in religious belief was seriously undermined. Some leftist pernicious influences still exist today. Some comrades overestimate the difference in belief between religious believers and non-believers, so they have many worries about the religious belief of the masses ideologically and set many obstacles to religious work. They fail to pay due attention and give necessary guidance to religious work, temples, and monasteries. Some comrades harbor various wrong views about religious personages. All these leftist ideas are still adversely affecting stability, unity, and the four modernizations drive in our region.

In Xizang, religious problems are closely linked with nationality culture, the traditional culture of the Zang nationality has been closely linked with religious development. If we exclude all religions indiscriminately, we may do such foolish things as throwing out the baby with the bathwater, and make the mistake of national nihilism.

We have made mistakes on religious problems in the past, and this really was a bitter lesson. We must never repeat our mistakes. The enlarged meeting of the regional CPC Committee Standing Committee, held last year, explicitly pointed out that it is necessary to continue to thoroughly negate the Cultural Revolution and eliminate the influence of leftist ideas, further correcting our ideological line. This really grasps the essence of Xizang's work. The decision by the regional People's Government to restore the grand vow-making religious rally is a concrete action to throughly negate the Cultural Revolution and eliminate the influence of leftist ideas. We must resolutely implement the spirit of the enlarged meeting of the regional CPC Committee Standing Committee and do our utmost to create a new situation in religious work.

## BEIJING CIRCULAR CALLS FOR BLOCKING FALSE REPORTS

SK250430 Beijing BEIJING RIBAO in Chinese 19 Feb 86 p 1

[Text] The departments concerned under the municipal CPC Committee and the municipal people's government recently issued a circular urging the suburban districts and counties to earnestly do a good job in verifying economic revenues and spendings in rural areas.

At present, the suburban villages have created a situation in which they have adopted various economic forms and have developed a diversified economy simultaneously, which has vigorously promoted their economic development. However, these economic forms and the diversified economy have also made the statistical and accounting work in the rural economy become more complicated and arduous. Many personnel in charge of statistical and accounting work are not totally familiar with the changes at present. In addition, statistical data on the economy of some townships and villages across the suburban districts and counties were not true and were inflated in varying degrees.

The departments concerned under the municipal CPC Committee and the municipal people's government have contended that 1986 was the last year of the implementation period of the Sixth 5-Year Plan and the foundation of the Seventh 5-Year Plan period. The correct or incorrect figures of the rural economy have a vital bearing on whether we can correctly conduct economic analysis and organize economic activities. Therefore, the principal leading personnel at the county, district, and township levels should regard the work of verifying statistical and accounting data of the rural economy as important tasks for straightening out the ideological line and improving work style among the leaders. In verifying the implementation of personal responsibility contracts among the cadres, the authorities at all levels should simultaneously examine the development level of the campaign of building the "two civilizations" and the personal work done by the cadres. By no means should they pay attention only to the per capita income earned through labor and a certain economic target. After earnestly verifying the 1985 revenues and spendings, they should do a good job in dealing with the cases in which some localities have shown a slight increase over the 1984 figure or have shown a decrease in this regard, in order to refrain from dampening the enthusiasm of cadres and the masses there.

The "circular" reiterates that the past incorrect figures should not be further investigated. As soon as we discover false and inflated reports on the revenues and spendings on the rural economy after the verification work, we should investigate and hold those responsible for the cases and deal with them strictly. Prior to appraising advanced units at all levels, it is imperative to earnestly verify the statistical figures on the economy. The advanced units whose figures are found to be false after the appraisal event should be criticized through a notice; the honor title of advanced units should all be removed; and the personnel concerned in these units should be given appropriate punishment. Hereafter, we should not promote those cadres who have had a record of making false reports and should strictly examine and deal with the cases of the cadres who had been promoted though they had made false reports.

## XING CHONGZHI SPEAKS AT HEBEI CADRES' SENDOFF

OW221951 Beijing Domestic Service in Mandarin 1200 GMT 21 Feb 86

[Excerpts] In order to improve the situation in poor and difficult regions and backward organizations sooner, Hebei Province recently transferred 10,000 cadres to rural areas and some factories.

In October 1985 the Hebei Provincial CPC Committee decided that in the next 3 years beginning in 1986, 10,000 cadres will be transferred each year from provincial, prefectural, city, and county organs to work in the countryside and some factories for a 1-year stint. Their work in mountain regions and poor and difficult coastal regions, and in enterprises that incur losses will be emphasized.

On 21 February the Hebei Provincial CPC Committee and the provincial government held a meeting to send off the cadres. Xing Chongzhi, secretary of the provincial party committee, addressed the meeting. He called on the cadres to take the lead in improving party style, seek no special privilege, conduct investigation and study, perform actual deeds and good deeds for the people, and conscientiously protect the people's interests when they arrive in the countryside or at the factories.

NEI MONGGOL CPC STANDING COMMITTEE MEETS

SK220608 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 17 Feb 86

[Text] On 15 February, the regional CPC Committee held a Standing Committee meeting and decided to organize the party and government office cadres throughout the region to conscientiously study the recent important speeches of the central leading comrades on improving party style and the relevant central documents. It called on leading cadres at all levels to play an exemplary role in this regard, continue to investigate and handle major and appalling cases, and enable the work of improving party style to proceed soundly in line with the central plans.

The meeting was presided over by Bu He, deputy secretary of the regional CPC Committee, the responsible comrades of the regional Advisory Commission, the regional Discipline Inspection Commission, the regional People's Congress, the regional government, and the regional CPPCC Committee attended the meeting as observers. (Tan Nenggui), deputy secretary of the regional Discipline Inspection Commission, relayed the major guidelines of the seventh plenary session of the Central Discipline Inspection Commission.

The meeting pointed out: The main trend of the region's party style is good and the trend of development is improving. However, there are, indeed, still many problems in our party style, and some of these problems are very serious. At present, the central authorities have expressed great determination to grasp the party style and have adopted effective measures. We still have the hope of achieving a fundamental turn for the better in party style.

The meeting discussed and basically consented to the several measures of the regional Discipline Inspection Commission on implementing the guidelines of the seventh plenary session of the Central Discipline Inspection Commission, which were formulated by proceeding from the reality of the region's party style. The meeting also pointed out the following:

First, the regional leading party and government organs and cadres should begin with the work and, in particular, solve the problems of political liberalism, bureaucratic work style, and the unhealthy tendencies of abusing power and position for personal gain, not strictly observing organizational discipline ignoring party spirit and principles and heeding personal feelings and relations in choosing a person for a job or managing things, and plotting to safeguard the parochial interests of their own departments and units or small groups at the expense of the overall situation and the interests of the party and the people.

The specific methods of solving these problems are to resolutely implement the 10 recent stipulations of the CPC Central Committee and the State Council on strictly forbidding the party and government organs and cadres to engage in commerce or to work in enterprises, conscientiously conduct criticism and self-criticism by proceeding from the work of sorting out and stopping cadres from engaging in commerce and work in enterprise and by carrying out regular party activities of the organizations, and conducting self-investigations and making corrections. Based on this, we should organize strength to supervise and investigate each and every department and bureau.

Second, we should promote the work of correcting malpractices through grasping major and appalling cases. All major and appalling cases exposed should be completely and rapidly handled, and all newly-exposed cases should be rapidly investigated. Meanwhile, we should resolutely check the unhealthy trends of entertaining guests, sending gifts, seeking illicit gain, and abusing power to engage in commerce; deal resolute blows to those economic criminals and violators of the law who have engaged in profiteering, cheating, smuggling, trading smuggled goods, corruption, stealing, and giving and accepting of bribes; and pay close attention to the struggle in the ideological field.

Third, we should thoroughly grasp education in party spirit and fundamentally tackle the problems in party style. At present, we should prominently grasp the education of party members in party spirit, ideals, and discipline, and continue to improve their ability to resist capitalism and the fedualist decadent ideology.

Fourth, we should exert great efforts to strictly consolidate discipline. The various party groups of the regional-level departments and bureaus, the regional Discipline Inspection Commission, and the CPC committees and discipline inspection commissions of various leagues and cities may first grasp one or two experimental units in order to gain experience and to direct the entire discipline consolidation work. We should establish and improve various rules and regulations by consolidating discipline, and strictly handle those who do not enforce regulations.

Fifth, we should strengthen the building of discipline inspection organizations and improve the quality of discipline inspection cadres.

The meeting also pointed out: We should strengthen leadership over the work of rectifying party style and checking malpractices, reaffirm the importance of the work, and not carry out work perfunctorily or allow everyone to escape punishment. We should persist in the principle of seeking truth from facts, investigate and handle all problems, and enable the work to be carried out smoothly in line with the central plans.

## HEILONGJIANG CRACKS MAJOR ECONOMIC CRIMINAL CASE

SK210422 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 19 Feb 86

[Text] Through 9 months of intensive investigation, the major economic criminal case which was caused in the course of processing flour sacks was basically ascertained. Of 29 party members, cadres, staff members and workers directly involved in this case, 26 persons, including (Wang Shu), deputy head of Tonghe County in charge of the financial and trade work, and (Sun Ming), director of the Tonghe County grain bureau and concurrently secretary of the Bureau CPC Committee, were punished according to party discipline and the law. With the approval of the Songhuajiang Prefectural CPC Committee, the Tonghe County CPC Committee discussed and decided the following:

Former deputy head of the county (Wang Shu) will be expelled from the party and dismissed from the post of deputy head of the county, and the judicial organ will be assigned to pursue his criminal liabilities; (Li Longgen) will be dismissed from the post of deputy director of the grain bureau of the Songhuajiang prefectural civil administrative office and placed under 1-year probation within the party; (Sun Ming), former secretary of the Tonghe County grain bureau CPC Committee and director of the bureau, will be expelled from the party and discharged from his public employment, and the judicial organ will be assigned to pursue his criminal liabilities; (Lu Yaozhong), deputy director of the Tonghe County grain bureau will be expelled from the party, and discharged from his public employment, and the judicial organ will be assigned to pursue his criminal liabilities; and Wang Peiyin, former secretary of the party branch of the Tonghe County grain storage, Meng Shichen, former head of the grain storage and former head of the transportation section of the county grain bureau, and Zhao Shuxian, former accountant of the grain storage, will be discharged from their public employment respectively, and judicial organs will be assigned to pursue their criminal liabilities.

In light of the report on the investigation and handling of the major economic criminal case involving (Zhao Hongyi) delivered by the Songhuajiang Prefectural CPC Committee and the Tonghau County CPC Committee, the Heilongjiang Discipline Inspection Commission and the Party Rectification Guidance Commission under the Heilongjiang Provincial CPC Committee circulated a notice on 15 February.

The notice pointed out: (Zhao Hongyi), the principal criminal of this case, brazenly manipulated various channels to swindle state property. Those who were dragged into the quagmire by (Zhao Hongyi) included party-member leading cadres, ordinary working personnel, newly promoted young cadres, and veteran cadres who had withdrawn to second-line posts. All of them succumbed to money and were obssessed by ill-gotten wealth although they had different family backgrounds, experiences, and working post. They wallowed in the quagmire with (Zhao Hongyi) after accepting his bribes.

The notice indicated: Taking these persons' corrosive activities as a negative lesson, in the new situation of enlivening the domestic economy and opening to the outside world, every Communist Party member should firmly remember the purpose of serving the people wholeheartedly, strengthen the cultivation of party spirit, conscientiously resist and eliminate the decadent idea of putting money above everything else, and not be moved by various ill-gotten gains, maintaining the purity of Communist Party members. The notice pointed out: What calls for deep thought in this case is that the party organization of the bureau paid no heed when (Zhao Hongyi) and his gang were fishing for the big money, and that the county CPC Committee could not shirk responsibility for its failure to make a timely discovery of or appropriately solve the serious problems existing in the grain department.

The notice called on the CPC committees and the discipline inspection departments at all levels to conscientiously examine and handle various cases in violation of the law and discipline and, in particular, to firmly grasp, thoroughly investigate, and strictly handle the major and appalling cases involving party-member leading cadres on the occasion of carrying out party rectification and straightening our party style. Whoever turns on a green light for the criminal offenders to the neglect of the law and shields the elements in violation of the law and discipline by taking bribes from them should be examined and handled. Whoever practices bureaucracy to the neglect of his duty should be called to account. Never should we be soft-minded or impose overly lenient punishment; on the contrary, we must punish and handle those who should be punished and handled according to the law. Only by so doing can we make successes in straightening out party style and social order, ensure economic restructuring and the four modernizations, and vigorously advance along the socialist road.

HEILONGJIANG CIRCULAR ON ISSUING OF PRESS CARDS

SK210714 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 20 Feb 86

[Text] The Propaganda Department of the provincial CPC Committee recently issued a circular calling on the various journalist units to check the practice of arbitrarily issuing press cards and to reissue them in line with regulations. The new cards will be effective on 1 April. Over the past few years, some publishing houses, offices of literary and art publications, offices of press and magazines for private circulation, and even some party and government departments have printed and issued several cards. Some newspaper and periodical publishing offices have issued cards to persons from other units. Some press units have issued a great number of special press cards of regular press cards. All of this has greatly damaged the reputation of the journalistic units, intensified the pressure on the communications and transport departments, provided favorable conditions for a small number of lawless people to engender bluff and deceit, and created dire consequences in society.

To safeguard the proper rights and interests as well as the reputation of reporters, the Propaganda Department of the provincial CPC Committee, in line with the stipulated guidelines of the circular of the Propaganda Department of the CPC Central Committee, has established the following rules: Only press agencies, newspaper offices, radio and television stations are entitled to issue press cards. Ordinary publications offices, publishing houses, and offices of papers and periodicals which are not distributed openly are not entitled to issue press cards. The journalistic units also must not issue press cards to administrative and rear-service personnel.

In line with the stipulations of the Propaganda Department of the CPC Central Committee, only the provincial press units, radio and television stations are entitled to issue press cards. Press cards issued by other journalistic units must be checked and ratified by the Propaganda Department of the provincial CPC Committee. In the future, if any units arbitrarily issue press cards, their relevant leaders will be called to account.

ARMED FORCES TO TRANSFER TO LIAONING AUTHORITIES

SK250507 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 24 Feb 86

[Text] Our province will complete the work of transferring county (district) people's armed forces departments to local authorities prior to the end of June. The above decision was made at a local army meeting held by the Standing Committee of the provincial CPC Committee on 17 February.

Li Guixian, secretary of the provincial CPC Committee, presided over the meeting. Leading comrades of the provincial government and the provincial military district attended the meeting as observers.

Leading comrades of the provincial CPC Committee held that the work of transferring county (district) people's armed forces departments to the local organizational system is a component of the Army streamlining and reorganization as well as a vigorous measures for strengthening the building of militia and reserve service. The local CPC committee and governments should exert vigorous efforts and take the initiative in transferring the people's armed forces departments to the local organizational system. Comrade Li Guixian pointed out: The transfer of the country (district) people's armed forces departments to the local authorities will involve the work and livelihood arrangements of more than 2,000 PLA cadres. It will involve much work and many fields and require the efforts of both the Army and the localities. The relevant local departments, in particular, should exert vigorous efforts and take the initiative in helping the armed forces solve problems in various fields and fulfill the transfer task.

## LI GUIXIAN PRAISES LIAONING WORKER'S PROPOSALS

SK220730 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 21 Feb 86

[Text] On 2 January, (Shi Feng), worker of the (?electric appliances repair plant) under the Anshan Iron and Steel Company, presented a letter of proposal to the plant authorities with regard to making a success in building the two civilizations. The letter drew great attention from the leading personnel of the plant and the provincial CPC Committee, and greatly inspired the broad masses of staff members and workers.

Upon hearing the plan relayed by the workshop leading personnel with regard to scoring an increase from 3.5 million yuan in 1985 to 8.5 million yuan in 1986 in its annual taxes and profits handed over to the state, (Shi Feng), worker of the plant, spent more than 10 days carrying out investigations among the plant departments concerned and wrote an approximately 11,000-character letter with 78 proposals on ensuring the fulfillment of the plan. His proposal has touched on the issue of conducting reforms in various managerial affairs in his workshop and the plant. His proposals have fully embodied the responsibility of the state as master of enterprises.

After reading the letter of proposal written by (Shi Feng), worker of the plant, with regard to doing a good job in building the two civilizations, Li Guixian, secretary of the provincial CPC committee, highly praised the spirit displayed by (Shi Feng) as being a master of the country. Comrade Li Guixian stated: The active proposal made by Comrade (Shi Feng) for his plant authorities by racking his brains to work out measures is worthy of being commended and encouraged.

GANSU OFFICIALS PUNISHED FOR TAKING ADVANTAGE OF POWER

HK260215 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 24 Feb 86

[Text] (Jiang Guotai), deputy secretary of the Zhangxian County CPC Committee and head of the country; (Zhao Zhiqiang), Standing Committee member of the Zhangxian County CPC Committee and deputy head of the county; and (Han Qi), deputy secretary of the Zhangxian County CPC Committee, violated the party's policies, practiced fraud, and sought personal gains by taking advantage of their power. What they did has exerted a bad influence on the masses, and inner-party disciplinary action has been taken against them.

The provincial CPC Discipline Inspection Commission and the general office of the leading group in charge of party rectification under the provincial CPC Committee yesterday issued a notice on investigating and dealing with this case of violation of discipline.

In the first half of 1983, the county CPC Committee decided to select some people to receive training in universities and colleges. By resorting to trickery and violating relevant regulations, (Jiang Guotai) and (Zhao Zhiqiang) hurriedly sent their sons to universities and colleges to receive training. Under their influence, of the 54 people whom the county selected to receive training in colleges and universities, 25 were unqualified, and were sent to the colleges and universities through personal connections and backstairs influence. In December 1984, the relevant upper-level department assigned the county a target of employing two cadres. (Zhao Zhiqiang) and a deputy head of the county statistics bureau forged certificates for their daughter-in-law and daughter and then presented the forged certificates to the relevant prefectural organs. Their daughter-in-law and daughter were thus employed as state cadres. In February and May 1985, the prefectural authorities assigned the county targets of employing town and township cadres. (Han Qi), head of the county leading group in charge of employing cadres, surrendered his power, so the personnel in charge of the work practiced fraud. As a result, of the 50 persons employed as cadres, 25 were unqualified. In August 1984, the county government decided to recruit some scientific and technological personnel to the county from inside and outside the province by offering them the good condition of changing the rural household registration of their family members into town household registration. (Jiang Guotai), (Han Qi), and the head of the county public security bureau decided without authorization to change the rural household registration of 222 persons in 93 families into town household registration.

To enforce party discipline and straighten out party style, after serious discussion and with the approval of the provincial CPC Committee, the Dingxi Prefectural CPC Committee decided to remove (Jiang Guotai) from the post of deputy secretary of the county CPC Committee and suggested that he be downgraded in his administrative post; decided to remove (Han Qi) from the post of deputy secretary of the county CPC Committee; and decided to expel (Zhao Zhiqiang) from the party and suggested he be removed from the post of deputy head of the county. It also decided that the former principal leader of the county CPC Committee must seriously examine his mistakes of being weak and incompetent and neglecting his official duty. Other cadres who made mistakes must be dealt with by the Zhangxian County CPC Committee and the Dingxi Prefectural CPC Committee respectively. The cadres, staff, and workers employed by the above-mentioned leading cadres by taking advantage of their power will not be recognized; the illegal changes from rural household registration to town household registration will be declared void; the unqualified persons who are now receiving training in colleges and universities should pay part or all of their training fees; the 9,000 yuan of administration fees embezzled under the name of welfare allowances should be recovered totally; and [words indistinct] should be dealt with according to relevant regulations.

SONG HANLIANG AT XINJIANG COMMENDATION RALLY

HK210849 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 18 Feb 86

[Excerpts] On 16 February, the sixth agricultural division of the production and construction corps held a rally to commend advanced collectives and advanced individuals in building two civilizations. Leading comrades of the regional party and government and the corps, including Song Hanliang, Wang Enmao, Tomur Dawamat, Chen Shi, and Wang Shouchen, attended the rally to extend greetings.

Last year, the sixth agricultural division persisted in simultaneously grasping the building of two civilizations. Under the premise of not relaxing grain production, it vigorously developed diversification. The division's gross social output value reached some 510 million and the per capita national income was some 800 yuan. Its gross industrial and agricultural output value and per capita national income were both 400 percent more than in 1980 and were the highest ever recorded.

Song Hanliang, secretary of the regional CPC committee; Wang Enmao, chairman of the regional Advisory Commission; and Tomur Dawamat, chairman of the region, spoke at the rally. Comrade Song Hanliang warmly congratulated the achievements in the building of two civilizations scored by the sixth agricultural division. He also fully affirmed and highly appraised the great contributions toward the building and defending of the border areas made by the production and construction corps. At the same time, he hoped that the corps would do three aspects of work well in the future:

1. During the Seventh 5-Year Plan period, the corps must further develop industrial and agricultural production and penetratingly carry out reform of the agricultural reclamation structure. The gross industrial and agricultural output value of the corps must exceed one-fourth of the region's gross industrial and agricultural output value.

2. The corps must continuously adhere to the aim of serving the people of all nationalities in Xinjiang and play an exemplary and vanguard role in developing local agriculture and animal husbandry.

3. To embark on socialist modernization, it is necessary to grasp it with both hands. We must grasp the building of material civilization with one hand and the building of spiritual civilization with the other.

In his speech, Comrade Wang Enmao said: The production and construction corps is an important force not only in Xinjiang's economic construction but also in consolidating the unification of our motherland, strengthening the unity of the nationalities, and consolidating and developing the region's political situation in stability and unity. The sixth agricultural division must strengthen not only the building of socialist material civilization but also the building of socialist spiritual civilization.

Tomur Dawamat warmly congratulated the rally held by the sixth agricultural division to commend advanced collectives and advanced individuals.

XINJIANG COMMENTARY ON CONCLUSION OF CONTRACTS

HK211430 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 19 Feb 86

[Station short commentary: "Step Up the Fulfillment of the Contracts for Ordering Grain"]

[Text] Since the beginning of spring [5 February], the rural areas have been busy in all aspects of farm work.

At present, one of the important tasks in the rural areas is to vigorously publicize and implement the spirit of the conferences of the central authorities and region on rural work and to step up the conclusion of the contracts for ordering grain this year so that the peasants and farm workers can make good arrangements for the cultivation of grain without losing any time and make good preparations for farming.

The regional conference on rural work put forward clear demands on the development of grain production and on doing well in ordering grain and carried out some reforms and readjustment. The main points are: The system of ordering grain shall remain unchanged for 3 years. The varieties ordered by contract are to be expanded. Except for wheat, rice, and maize, barley, sorghum, mung beans, peas, and broad beans are included in the varieties that can be ordered by contract freely in mountainous areas. The main commodity grain production regions can properly increase the number of contracts for ordering grain. The amount of agricultural loans and means of production in short supply can vary with the number of contracts for ordering grain, and so on. These measures will surely further arouse the enthusiasm of the peasants and the workers on the farms for cultivating grain. Leaders at all levels in the rural areas and departments concerned, including grain departments, must seriously carry out these measures.

To do well in ordering grain, it is necessary to change [words indistinct] the simple method that the conclusion of contracts with peasants is turned to the average apportionment according to the population density and that contracts are turned to the notices of assignments. This simplified method is, in fact, assigned procurement in disguise and is not beneficial to arousing the peasants' enthusiasm for cultivating grain. While allocating the quotas for ordering grain, all places must proceed from the practical situation of all prefectures and every peasant household, not carry out average apportionment, and not demand uniformity in everything. More grain can be ordered from the grain production regions, grain production teams, specialized grain households, and large grain production households. No grain can be ordered from poor places, poor teams, and poor households. The method of market procurement can be mainly adopted.

Ordering grain is an aspect of work of a policy nature. Leaders at all levels in the rural areas must strengthen leadership, regard it as an important matter, and really grasp it well. Peasant households and production units must carry it out before spring farming. It is essential give guidance to the peasants so that they can make good preparations for farming and strive for a bumper grain harvest this year.

DIFFICULTIES EXPECTED ON MAINLAND PILOT'S ASYLUM

OW250401 Taipei CNA in English 0343 GMT 25 Feb 86

[Text] Seoul, Feb. 24 (CNA) -- Major difficulties are expected to arise in regard to pilot Chen Pao-chung's wish to go to a third country for asylum, Ambassador Hseuh Yu-chi said after meeting with Korean Vice Foreign Minister Lee Sang-ok. Only one thing is different from previous MiG-pilot cases -- this time it is a reconnaisance aircraft, and it will take a little more time than before to complete investigations, according to the ambassador.

Meeting Lee at his office for about half an hour Monday morning, Hsueh told CNA that his impression of Korean Government's position is that it will send the pilot to where he wants to go according to previous examples. As investigations are still going on, the Foreign Ministry is not in a position to finalize anything, and perhaps probes will be completed in a few more days, he quoted Lee as saying.

In any way, the Foreign Ministry will keep him informed on the goings on of investigations as well as on the measures to be taken to handle Chen's request for asylum, the ambassador said.

In the case of Sun Tien-chin, the ambassador met the pilot five days after landing here, who then was sent to Taiwan after a two-week stay in Korea.

SPOKESMAN REITERATES POSITION ON ADB ISSUE

OW211459 Taipei CNA in English 1443 GMT 21 Feb 86

[Text] Taipei, Feb. 21 (CNA) -- The Government of the Republic of China will absolutely not accept any decision or arrangement by the Asian Development Bank [ADB] that may damage this country's status and legitimate rights in the regional bank, the Ministry of Foreign Affairs reiterated Friday.

Asked to comment on reports by all major foreign wire services that the ADB has approved Red China's application for admission, Foreign Ministry spokesman Cheyne J.Y. Chiu said that the ROC Government will not accept any decision or arrangement made in violation of the ADB Charter, including the one demanding the Republic of China to change its official name.

On Jan. 8, the ADB asked its member countries to vote by correspondence before Feb. 17 on Red China's application for admission to the bank. The application has been approved, according to the foreign wire service reports.

The spokesman said the Republic of China's representative to the bank, Governor Chang Chi-cheng of the Central Bank of China, voted against it and reiterated the ROC Government's long-standing position on this matter on Jan. 27. Red China demanded a change in the name of the Republic of China as a condition for joining the bank.

Chiu pointed out that the ADB is a non-political financial organization, whose charter stipulates clearly that it should not bow to political pressure in making decisions and that no conditions may be attached to applications for admission to undermine the legitimate rights of any member country.

"If the Asian Development Bank made any decision or arrangement in violation of ADB Charter thus hurting the Republic of China's status and legitimate rights in the bank as a result of Red China's admission to the bank, the Government of the Republic of China would absolutely not accept them, including the one demanding this country change its name in the bank," the spokesman said.

CHINA POST EDITORIAL ON ADB MEMBERSHIP

OW250620 Taipei CHINA POST in English 22 Feb 86 p 4

[Editorial: "ADB's Acceptance of Peking's Membership"]

[Text] The Board of Governors of the Asian Development Bank (ADB) accepted Thursday in its board meeting the application of the Peking regime to be its 47th member.

In announcing the acceptance, the ADB spokesman left the question of the Republic of China's future unanswered. He merely told the press about the process of canvassing votes for Communist China's admission, which was completed last Monday. He also told the press that Communist China's subscription will be U.S. $1.2 billion, ranking third after those of the U.S. and Japan.

The Republic of China voted against the admission of the Peking regime, together with the Solomon Islands. The Republic of China has long advised the ADB of our position that the admission of any new member should not affect the status or rights of existing members. Vietnam and Laos have also sent cables to the ADB Board of Governors supporting this position. The Republic of Korea and another South Pacific nation abstained while Afghanistan and Cambodia did not send replies.

The whole issue will reach a climax at the ADB's annual meeting between April 30 and May 2 at Manila. The issue will be further debated. According to ADB Charter, no member nation may be expelled except for a failure to live up to its obligations. As the Republic of China is a founding member of good standing, any attempt to change its status or name should be vehemently resisted.

STRATEGIC POSITION IN WESTERN PACIFIC SURVEYED

OW250616 Taipei CHINA POST in English 20 Feb 86 p 4

[Editorial: "ROC's Strategic Position in Western Pacific"]

[Text] The threat to break the U.S.-Philippine Base Treaty by newly re-elected President Ferdinand Marcos will undoubtedly cause the United States to ponder the new situation in the Philippines.

Marcos issued that threat openly over the CBS TV net-work "Face the Nation" program Sunday by stating that if the Reagan administration cuts off aid to his government, "we'll have to talk about renegotiating the bases." Marcos then added: "We have to renegotiate those bases anyway because you have not paid the compensatory package for the use of military facilities to the tune of about 70 million dollars."

Marcos' statements were nothing new. As an AP dispatch reported, he has repeatedly used the treaty concerning the bases during the last 20 years as a bargaining chip to ensure support from Washington.

Whether Marcos' threat is real or just a bluff is not clear. But the unstable and uncertain situation in the Philippines certainly should not be overlooked and it may deteriorate with the opposition candidates calling for civil disobedience and strikes.

The disturbing situation, on the other hand, has enhanced the strategic position of the Republic of China on the anti-Communist bastion of Taiwan, the Pescadores, Kinmen and Matsu. The ROC has been described by many strategists as "an unsinkable aircraft carrier" ever since General Douglas MacArthur so stated after the Second World War. It has not only a strong and modern military of 600,000 men but also a reserve force of from two to three million men ready for instant call to active duty. They are well-trained, dedicated and educated in anti-Communist doctrines and objectives.

Recent combat exercises shown to the people of our society have demonstrated their efficiency and combat readiness to engage the enemy. The exercises also revealed new weapons and planes manufactured by the ROC which constitute a major breakthrough in our military technology.

In a recent forum on the strategic situation in the Western Pacific and Taiwan Strait, sponsored by the World Anti-Communist League [WACL] under the inspiring leadership of Dr. Ku Cheng-kang, WACL honorary Chairman, and presided over by Professor Tao Shi-sheng, president of the ROC Society for Strategic Studies, General Wego Chiang, founder of the society and director of the Joint Operations Training Center of the Ministry of National Defense, told the forum that Taiwan is the center of the U.S. strategic defense line in the Western Pacific as it is the pivotal focal point of U.S. and Soviet military power in the region. It is also the shipping center of the Western Pacific and stands at a vital position between the Pacific and Indian Oceans.

General Chiang pointed out that a free and friendly Taiwan is of great strategic interest to the free world. On the other hand, a hostile Taiwan would constitute a grave threat and present a great strategic disadvantage to the free world. Moreover, the Republic of China has become the hope for eventual delivery to freedom of the one billion Chinese on the Chinese mainland. It is also the symbol of anti-Communist resistance now being waged against the Peking regime by the countless anti-Communist agents on the mainland. Recent revelations by Chinese Communist authorities announcing the execution of some of those agents is proof of the anti-Communist movement.

The recent local elections on Taiwan on Nov. 16, 1985 and Feb. 1, 1986 were conducted in an orderly manner without violence or fraud. The Kuomintang scored a decisive victory in winning more than 85 percent and 94 percent of the council seats and mayoral races respectively.

The ROC has also a stable political situation and prosperous economy with a high growth rate -- last year second only to that of Australia. It is an ideal forward base of operations against the threatening Communist expansion in the Asian -- Pacific [as published]. In controlling the vital sea lanes, it is also a strategic shipping center in the Pacific region.

EDITORIAL ON U.S. INTERFERENCE IN PHILIPPINES

OW242220 Taipei LIEN HO PAO in Chinese 16 Feb 86 p 2

[Editorial: "The Philippine Parliament Proclaims Marcos Winner of the Election"]

[Excerpts] After 9 days of confusion in tabulating ballots without reliable measures, the Philippine National Assembly finally proclaimed on 15 February that incumbent President Marcos had won reelection by defeating Mrs Aquino by 1.5 million votes. Despite widespread fraud in the latest presidential election in the Philippines, which was clearly pointed out even by U.S. President Reagan, and the tabulation by the Philippines' "National Movement for Free Elections" showing opposition presidential candidate Aquino ahead of her opponent, Marcos has won, with or without honor, the election, unless the Philippine National Assembly's proclamation is rejected by the people.

The fact that Marcos won the election is, as pointed out by Catholic circles in the Philippines, a manifestation of unprecedented fraud. However, in all fairness, victory cannot be won by merely relying on fraud. There should be other factors. Why was Marcos able to retain his presidential title in spite of the tremendous pressure at home and abroad? Mrs Aquino received not only solidarity from the growing anti-Marcos forces but also support from the United States. One may well say that Washington did everything it could to interfere in the Philippine presidential election and smear Marcos. Nevertheless, Marcos still came out victorious. The United States and all those concerned with the situation in the Philippines should calmly examine and analyze this point.

President Reagan has already dispatched former special envoy to the Middle East Habib to the Philippines to discuss with its political leaders and religious circles a solution to national reconciliation. But Mrs Aquino has threatened to lead an anti-Marcos street demonstration, and has said that she "does not intend to give up the victory won in the election." Therefore, the situation in the Philippines indeed worries people. We do not want to see irremediable confusion taking place in the Philippines because, should such an unfortunate situation occur, the only winner would be the communist force, and the loser would be the Philippine people. However, unless the Marcos regime can make determined effort at reform, and the anti-Marcos forces transform themselves from the current image of "an army burning with righteous indignation" into a political party vying for a share in a democratic government and to broaden the future of democracy in the Philippines with "nonviolent struggles," the future of the Philippines is not optimistic.

Finally, we wish to point out the important mission shouldered by U.S. special envoy Habib. Although the United States should help the Philippines develop democracy, it should not take any erro step at this moment that may aggravate turmoil in the Philippines.

TAIPEI PAPER ON U.S. INVOLVEMENT IN PHILIPPINES

OW2:2322 Taipei CHUNG KUO SHIH PAO in Chinese 15 Feb 86 p 2

[Editorial: "Conviction in Democracy Should Be More Important Than the Interests of Power Politics -- on the Situation in the Philippines"]

[Excerpts] The election in the Philippines is still in confusion. Almost all election fraud seen elsewhere in the world has appeared in one form after another in the Philippines.

In spite of clear indications pointing to serious fraud in the election and ballot counting, the Philippine Government's decisions to rely on the National Assembly in counting the votes and use force to suppress the opposition have assured Marcos of victory.

We do not know whether Marcos can still win in a fair and open election. Neither do we know whether he will come out victorious after a fair and open way of tabulating ballots. He may win in both circumstances. However, we know for sure that the current situation has aroused people's suspicion of unfair means employed by Marcos and his followers, and that a race in which Marcos may still be the winner under normal circumstances may become the beginning of a tragedy in the history of the Philippines.

Obvious manipulation of votes and bloodshed will certainly deprive all rational and modest forces of their political ground in an opposition camp. They will be replaced by radicals in the camp. It is a common course of all political struggles that, when the modest and rational forces lose political ground as a result of violent suppression, the leadership of the opposition will inevitably fall into the hands of radicals, while their excesses will surely intensify the violent suppression. This law of cause and effect may bring about tragic results.

The setback of Vietnam should serve as a warning to other countries. Unfortunately the Philippines is now facing a similarly dangerous course. Therefore, many international observers have already pointed out that the final winner in such struggle will be the communists.

The attitude of the United States has puzzled people in the entire course of tragic events.

No Asian country maintains such a close relationship with the United States as the Philippines, in view of the long-standing history of relations and common interests between the two countries. In the current election, however, the U.S. Government first assumed a neutral and indifferent attitude, and then, through President Reagan's surprise statement, declared that it would cooperate with any winning party, thus interpreting the obviously ineffective and highly contested election as a form of operations of bipartisan politics. From a long-range view, it was an unwise statement because although it could stabilize the Philippine Government's feelings, it has also sown seeds of indignation and distrust toward the United States among the masses of people in the Philippines, who yearn for democracy. It was clear that the Reagan administration wanted to see a continuation of the Marcos regime, but it should not have interfered in the election by making the statement. In any case, Marcos is assured of victory. What the United States needs to do is to recognize the fact after it takes place.

Even more puzzling is that Reagan has dispatched Habib to the Philippines to "collect firsthand information" and "assess the political situation there." Such an unnecessary step is indeed hard to understand.

If Habib's report turns out to be favorable to Marcos, Washington will be further involved in the quagmire of the political struggles in the Philippines. If the report is unfavorable to Marcos, who will be legally elected then, what can the United States do?

In our observation, Washington's inappropriate measures toward the election in the Philippines were motivated by its emphasis of the interests of power politics over conviction in democracy. In other words, to ensure the safety of the two American military bases in the Philippines, it has neglected the ideal of democracy, on which the United States has relied upon in the past 100 years [as published] since its founding. Democratic countries the world over regard the United States as their leader not entirely because of its powerful military strength but also of the conviction in the democratic ideal and steadfast effort to safeguard the democratic camp. Since it "established diplomatic relations" with the mainland, the United States has foresaken its tradition of opposing tyranny, thus weakening its moral stand. Now, it cannot but disappoint people by taking the unnecessary measures simply to ensure the safety of the two American military bases.

We hope that the Reagan administration will take wise and farsighted action to rebuild its conviction in the democratic ideal and will no longer handle foreign affairs in the shortsighted interests of power politics.

## CAUTIOUS ATTITUDE URGED IN TRADE WITH PHILIPPINES

OW250427 Taipei CNA in English 0235 GMT 25 Feb 86

[Text] Taipei, Feb. 24 (CNA) -- A ranking official with the Board of Foreign Trade [BOFT] Monday warned the businessmen here against doing trade with their counterparts in the Philippines in the wake of the political instability there.

Chiang Seng-ti, BOFT deputy director general, said the ROC-Philippine trade has increased in the last several months. However, he said traders here should take a more cautious attitude towards orders from the Philippines, considering the increasingly tense situation in that country.

Many international banking institutions running businesses in the Philippines, such as the Land Bank of Britain, are planning to suspend their operations and close their branches there, Chiang said.

The ROC traders have been doing business with the Philippines through the L/C operations of foreign banks, Chiang said. Suspensions of the banks will influence traders here unfavorably, he explained.

According to statistics of the customs offices, the nation's exports to the Philippines amounted to US $33 million in January, 1986, an increase of 112 percent in comparison with the same month a year before. In 1985, the ROC exported a total of nearly US $240 million worth of goods to that country, the same statistics show.

BAMBOO UNION GANGSTERS TO BE TRIED IN U.S. IN MAY

OW221011 Taipei CNA in English 0944 GMT 22 Feb 86

[Text] New York, Feb. 21 (CNA) -- U.S. law enforcement authorities in charge of the prosecution of members of the organized crime organization "Bamboo Union" Friday decided to start trial of 14 defendants in New York on May 19.

They set this date in consideration of extradition of Tung Kuei-sen, a defendant who has been detained in Brazil since last September. Brazilian authorities will decide in April whether to expatriate Tung to the United States.

The 14 defendants have been indicted for drug trafficking, murder of writer Henry Liu, gambling, illegal possession of firearms, and conspiracy to forge a passport for Tung Kuei-sen.

The 14 defendants are: Chang An-lo, Chen Chih-yi, Shiang Bao-jing, Tung Kuei-sen, Lam Tso, Tony Wong, Jack Ma, Yang Tien-yun, Paul Lin, George Lu, Ah Min, Esteban Delgado Salazar (who has already pleaded guilty), Amado Delgado Mares (who has already pleaded guilty), and John Kirkpatrick.

Pan Shih-ming, who was arrested last September in the crackdown on Bamboo Union members and charged with "murder-for-hire", has been dropped from the indictment.

According to the 32-page indictment released Friday, Bamboo Union members in the United States had engaged in activities to obtain money such as dealing in narcotics and dangerous drugs, operation of illegal gambling and prostitution, extortion, and murder of Chinese-American writer Henry Liu.

CONSULATE IN HONG KONG NEGOTIATING OVER PRC PILOT

HK260535 Hong Kong HONG KONG STANDARD in English 26 Feb 86 p 1

[By David Wong]

[Text] Secret negotiations between officials of the South Korean Consulate in Hong Kong and XINHUA NEWS AGENCY are being conducted in Hong Kong over the past two days. The talks concern the fate of a Chinese Air Force pilot who defected to South Korea on Friday, it was learnt yesterday.

Reliable sources told the STANDARD that senior officials of the two sides began negotiations on Monday to discuss the fate of Chien Paochung, 26, who is seeking asylum in a third country. But it was not immediately known whether the talks had ended or whether any concrete agreement was reached on the issue, which placed both countries in a difficult position.

Officials of both local South Korean Consulate and XINHUA were tight-lipped on the highly-sensitive issue, giving an absolute "no comment" reply to any enquiry. An official of the consulate said flatly: "We are not going to make any comment on this matter". A similar reply was given by local XINHUA NEWS AGENCY, which represents Beijing here.

China and South Korea, which were enemies in the Korean War more than 30 years ago, still do not have any diplomatic ties. But it is evident that there are increasing trade deals between the two countries in recent years through agencies established in Hong Kong.

The local XINHUA branch is understood to be playing a major role in providing an informal link between the two governments on political issues which can normally be dealt with through diplomatic channels.

A Chinese torpedo boat and crew that entered South Korean waters in March last year was returned after negotiations here between Seoul's consulate officials here and XINHUA. In September last year, South Korea also released the radio operator of a Chinese bomber that had crash-landed in Korea following negotiations through similar channels here.

The Chinese pilot, Chien, defected in a MiG-19 low-level interceptor and his intrusion into South Korean airspace set off air-raid warnings.

China asked Seoul to return the plane and the pilot, the sixth to defect to South Korea since the 1950-53 Korean War.

But Taiwan is understood to have offered asylum to Chien, who will also be given a gold reward of almost HK$15.6 million.

KUANG CHIAO CHING: DENG XIAOPING IN GOOD HEALTH

HK242248 Hong Kong KUANG CHIAO CHING in Chinese No 161, 16 Feb 86 pp 6-8

[Article by Kuan Cha-chia: "Deng Xiaoping's Health and the Crackdown on Unhealthy Trends"]

[Text] Rumors about Deng Xiaoping's health had an impact on the Hong Kong stock market three times in the latter part of January. Despite explanations given to this reporter by the Chinese Ministry of Foreign Affairs, due to the long absence on social occasions of this Chinese leader being the center of world attention, speculation about his health by people abroad has persisted. What is the truth after all? This writer headed for Beijing in the coldest days of winter and investigated this problem of concern to people in the teeth of the biting north wind.

According to information provided by several friends close to the top Chinese Communist leadership, Deng Xiaoping is indeed in good health. This Chinese Communist statesm n is now in charge behind the scenes, devising ways and means for the rectification of party style.

A Bridge Contest Provides the "Basis" for Rumors

The last time Deng Xiaoping appeared in public was when he met with former U.S. Vice President Mondale on 14 December last year.

On New Year's Eve and New Year's Day, CPC and state leaders celebrated the festival together with the masses in various areas. Deng Xiaoping did not appear.

On 6 and 9 January, the CPC Central Committee Secretariat called an 8,000-strong meeting of central organ cadres. Deng Xiaoping did not surface there either.

At that time, some Western reporters in Beijing were sensitive enough to speculate about Deng Xiaoping's health. This private speculation became widely circulated rumors. This may be traced chiefly to a bridge contest held among veteran cadres early this year.

Such bridge contests had been held in Beijing for many years, with Deng Xiaoping participating every year. His team invariably won the championship. This was because Deng Xiaoping is an old hand at the game. His partner, Ding Guangen, the incumbent minister of railways, and two other partners of the same team, Wang Hanbin, NPC secretary general, and Wang Daming, newly-appointed deputy director of the CPC Central Committee Propaganda Department (former director of the Beijing CPC Municipal Committee Propaganda department) are also well versed in the game. In the past few years, these four played bridge every week and were used to playing together. But before the bridge contest this year, Wang Daming was hospitalized because of illness. A replacement had to be found. The new team member, though not bad at the game, played with Wang Hanbin for the first time and mutual understanding was relatively poor. As a result, the championship was won by the team with Wan Li on it. When reporting on this bridge contest, the Beijing press only said that the Wan Li team had won the championship and did not mention that Deng Xiaoping's team had participated. This provided the basis for certain Western reporters, who had long wondered about Deng Xiaoping's health, to speculate that the well-known bridge enthusiast Deng Xiaoping must be in bad health because he had not played in the veteran cadre's bridge contest, as he had in former years.

Liang Xiang Said Positively That Deng Had Not Been to Shenzhen

The rumor seemed to have first started in Europe.

According to a Hong Kong report, before the market opened (after the Hong Kong market had closed), a London "stringer" made a long-distance telephone call to a columnist of a certain newspaper inquiring about Deng Xiaoping's health. This columnist, after making telephone inquiries in all quarters, denied the story from London, but on 15 January this rumor still affected the Hong Kong stock market.

That the same day, 15 January, a new spokesman of the PRC Foreign Ministry, replying to reporters' questions in Beijing said: "Deng Xiaoping is in good health." Things seemed to have been clarified. On 16 January, an AP dispatch from Beijing, apart from claiming that Deng Xiaoping had participated in the bridge contest held in Beijing on 12 January, also quoted a report saying that Deng Xiaoping had visited Shenzhen from 20 December last year to 5 January this year meeting with 160 officials of the special zone. The motive behind reports like this is of course not to be suspected, but unfortunately this only helped to mess things up.

On 18 January the Shenzhen City CPC Committee secretary denied the story when questioned about it. He pointed out that Deng Xiaoping had not been there since his inspection of Shenzhen in 1984. Therefore, rumors about Deng Xiaoping's health again circulated in Hong Kong, producing another impact on the stock market.

"To Hell With The Rumors!" "Leave It Alone!" Deng Xiaoping Refused To Appear To Halt the Rumors

A friend in Beijing, who was in the know , told this writer that when the rumors circulated abroad widely, some officials of the relevant Chinese unit considered inviting Deng Xiaoping to appear on a certain social occasion to remove people's misunderstanding. After the suggestion was made, Deng Xiaoping rejected it. "To hell with the rumors!" this top Chinese leader said: "Leave it alone!"

A friend of this writer's held that this decision on Deng Xiaoping's part was rather wise. For many years, Beijing's common practice was to allow the Chinese leader concerned to appear in public to quell any rumors that arose his health. As time went on, people were left with the wrong impression that when a leader had not surfaced in public for a period of time, it meant either a change in his position or something the matter with his health. This is not unrelated to occasional rumors arising abroad about the health of certain Chinese leaders. Therefore, breaking with this practice helps reduce rumors caused by sensitivity.

Deng Is Concentrating His Strength on Studying the Rectification of Party Style

Deng Xiaoping's failure to appear in public for more than 1 month is naturally not because of his having been preoccupied with bridge all day long. His workload is still rather heavy. Friends in Beijing said that important central documents had recently been examined and approved by him, including the document about the Seventh 5-Year Plan. What is now receiving his greatest attention is the matter of rectifying party style.

It is a long time since the CPC called for the rectification of party style. In 1982, the CPC Central Committee suggested striving for a fundamental turn for the better in party style within a period of 3 years, but up to now, unhealthy practices are still rife. Serious cases like bribery, corruption, and abuse of authority to serve private ends have reached shocking proportions. This phenomenon has aroused great dissatisfaction at home. Some time ago, students appeared in the streets in several cities. This had to do with many factors, but to a large degree it reflected indignation in various segments of society with unhealthy practices. A high-ranking official admitted to this writer that similar sentiments now exist universally among workers in many areas. Any kind of fuse could touch off incidents at any time like a slowdown, a strike, or a march.

Of course, it cannot be said that unhealthy practices have arisen from reform, but it is quite clear that given such rampant unhealthy practices, making reform a success is impossible. For this very reason, according to a friend in Beijing, Deng Xiaoping, an advocate of the reform line, though known for his optimistic character, cannot help feeling deeply worried. He is therefore concentrating his main energies on studying how to really and effectively rectify the party style. This is precisely one of the reasons why he has not appeared in public for some time.

Three Acts of "Daring" Unlike Before

What are the differences that set apart current Chinese Communist actions to rectify the party style from those taken previously?

According to an analysis by a friend in Beijing, in the current campaign to rectify party style, the Chinese Communist leadership has shown three acts of "daring."

First is the act of daring to pinpoint the center as the source of unhealthy practices. In the past, the Chinese Communists had a habit of claiming that the center was good and that the trouble lay with those below. In truth, if those above do not behave properly, those below will follow suit. If no action is taken starting with the center, the problem cannot be solved. Things are different this time around. Zhao Ziyang clearly pointed out: "Social trends are determined by party style. Party style is determined by the practices of leadership organs. The practices of leadership organs are again determined by those of central party, government, and military leadership organs. In a word, everything is determined by Beijing." Hu Yaobang admitted: "For a long time, there has existed the force of this customary practice: If there is trouble, things are not first traced to the leadership organs; instead, the blame is laid on those below. In many cases, this is the act of turning things upside down. We should set things straight where right and wrong have been confused." Showing the courage to start with central organs in rectifying the party style is a feature of the current campaign.

How Many "Big Tigers" Can Be Caught

Second is the act of daring the "tackle the tough" and take care of those big and important cases. In the past, the Chinese Communists also looked into and solved many cases, but the cases mostly involved low-ranking cadres. Things were often allowed to slide with no action taken where cadres at and above the provincial or ministerial level were concerned. Just swat flies and do nothing against tigers; this of course helps nothing. Things are different this time around. Wang Zhaoguo said: "Organizations at any level and cadres at any level must be resolutely dealt with, so long as they are involved in trouble." Hu Qili said several days later: "Especially major and important cases involving those high-ranking cadres and their sons and daughters must be followed through to the end with all obstacles removed. This is to make an example of them and save a number of cadres. Only by daring to deal with high-ranking cadres and their sons and daughters can we really uphold the dignity of party discipline and state laws. This is very necessary in China at present."

Third is the act of daring to admit that the responsibility for the lack of confidence on the part of the masses lies with those in power. In the past, every time the Chinese Communists launched a major campaign they boasted how the masses supported them. If anyone showed a lack of confidence, he was considered backward. Things are different this time around. Wang Zhaoguo admitted: "Now, many people's feelings are 'a mixture of delight and fear.'" The "fear is that things may be carried too far" with nothing achieved in the end. He asked: "How should we boost mass confidence? Confidence comes through the actual actions of our leading cadres." Only by daring to face up to the cause of the lack of confidence on the part of the masses can we set demands on ourselves and work out real solutions.

Sons and Daughters of Certain High-Ranking Cadres Have Been Arrested for Involvement in Cases

Since the general meeting of 8,000 cadres, some stories have circulated among the cadres of Beijing. It was said that the sons and daughters of certain high-ranking cadres had been arrested. One of those arrested was the daughter of a certain top-ranking cadre who had successively been a provincial CPC committee secretary, a minister, and a commander and who still holds an important post. Another was the son of a certain senior statesman who was in a more senior post.

The 8,000-Strong Meeting Causes Alarm

These reports cannot be confirmed. We have to wait and see whether they are true, but the impression obtained by this writer in Beijing was that some high-ranking cadres who had in the past been used to abusing their authority to serve private ends and who had even boasted of being resourceful enough to get what they wanted had greatly lowered their profiles. The sons and daughters of certain top-ranking cadres who had in the past thrown their weight around on the strength of their parents' influence were now also leading more honest lives. Such practices as misappropriating public funds, throwing banquets, giving gifts, capitalizing on special relations, adopting less than honest means to get what a person wants, and so forth, that had long prevailed, have also become less frequent. Private discussions by the masses about involvement with unhealthy practices on the part of the sons and daughters of certain high-ranking cadres had gradually become open revelations.... It seemed that the 8,000-strong meeting had initially shown its might, but it still cannot be said that there has been a real turn for the better in social practices. People are still waiting to see whether the Chinese Communist leadership is really capable of taking real actions to deal severely with major and important cases involving high-ranking cadres, or whether it is just going through the motions.

There are great obstacles standing in the way of the rectification of party style. Through those high-ranking cadres who abuse their authority and throw their weight around are in the minority, coping with them and their sons and daughters is certainly no simple matter. At present, those who charge forward in rectifying party style are from the second and the third echelons. It is actually Deng Xiaoping who is in charge of the whole thing. According to a reliable sources, before the 8,000-strong meeting, Deng Xiaoping made special arrangements. In mid-January, Deng Xiaoping made further arrangements at a Political Bureau meeting. He suggested that regional problems be put aside first and that energy be concentrated on solving problems at the central level. Looking into and handling major cases involving incumbent high-ranking cadres and their sons and daughters is obviously impossible without Deng Xiaoping in charge.

Can Things Be Carried Through to the End in Cracking Down on Unhealthy Trends?

Of course, this is no way means that China's future depends on Deng Xiaoping alone, but under the true conditions of China, the role of a tough statesman like Deng Xiaoping cannot be denied. Just as a friend of this writer's says: "Rumors about Deng Xiaoping's health can give rise to fluctuations in stock markets in Hong Kong and Western Europe. Does this not serve to show that he carries tremendous weight not only on the mainland but also abroad?"

It is hoped that in cracking down on unhealthy party style, Deng Xiaoping will have firm resolution, go whole hog, smash through all obstacles, and truly get rid of those corrupt phenomena that are anathema to the people of the country. This is not only the concern of the CPC but also has to do with the destiny of the country and the happiness of the people. To really get rid of all traces of corruption, we must still establish good systems calling for, among other things, improved pay scales for high-ranking cadres and the elimination of various unhealthy practices preceded by education. Of course, this can not be achieved overnight.

MING PAO ON MALPRACTICES AMONG PLA OFFICERS

HK252134 Hong Kong MING PAO in Chinese 25 Feb 86 p 6

["Special Dispatch from Beijing": "Military Officers Make Things Easy for Those Who Give Them Money, It Is A Common Practice for Soldiers To Give Gifts"]

[Text] PLA soldiers have sent complaint letters to JIEFANGJUN BAO recently, revealing that in the companies "nothing is successful without giving gifts." This demonstrates that in army units, unhealthy tendencies have gotten rather serious, and are corroding the relations between officers and men at the company level.

As disclosed in the 21 February issue of JIEFANGJUN BAO, many soldiers said in their letters that when they "want to visit home, to go to school, to study technical know-how, to accept prizes for meritorious services, to be transferred as volunteers, and even to join the CPC, all things which should be achieved strictly according to the conditions or handled according to the regulations must now be done with wine and cigarettes to establish some connections or native produce to pave the way." Therefore, some soldiers who have just enlisted wrote to their families asking for money, cigarettes, and wine, to give them as gifts to the officers concerned and make things easier for themselves; and when the dependents of some soldiers came to visit them, they had to have enough money ready to hold banquets in honor of the officers of the company.

A JIEFANGJUN BAO commentator's article says: These conditions show that the principles of commodity exchange has really intruded into the relations between officers and men at the company-level, the prestige of officers has been damaged, while the hearts and souls of the soldiers have been corrupted, and the PLA's image among the people has been spoiled.

The commentator's article points out, the chief responsibility for the unhealthy tendencies in the relations between officers and men lies with the officers. Just as the ancient saying goes: "If one wishes for others not to turn bad, one must first become perfect in one's own virtue; if one does not want to be suspected, one must have faith in oneself." If the officers involved had been honest and set strict requirements for themselves, they would not have become greedy and would never have accepted any gifts, and the soldiers would not have made it a fashion to present them with gifts. Facts have proved that the growth of all such unhealthy tendencies sprouts from the greed of the officers. Some officers hold that a gift is a token of respect. In fact, whether a gift is a token of respect or a depreciation is worthy of our consideration.

An article says in confronting such unhealthy tendencies surfacing in the relations between officers and men, the soldiers should achieve the following:

First, form a correct concept about showing respect to officers. To show genuine respect to officers, soldiers must do their best to become friends who will admonish officers forthrightly, but refrain from regarding them as old-style officers. Giving gifts to officers under any circumstances actually does great harm to them.

Second, form the correct concept about making progress. One joins the Army in order to make progress. And progress must be accomplished under the prerequisite of being subject to the needs of the state and the people, through the actual deeds of one's own honest, diligent, conscientious, and arduous work and bitter struggle, which is real progress which can stand the test, and about which one will feel no qualms upon self-examination.

If such malpractices as being opportunistic and exchanging flattery and favors are regarded as shortcuts to making progress, and such practices as treating and giving gifts are applied to officers, that will not be seeking progress but going awry. It will not be genuine glory but shame if someone is "benefitted" with a medal or a notice of enrollment to school by applying such means.

PRC CADRE-LEVEL JOBS OPEN TO HONG KONG STUDENTS

HK230924 Hong Kong HONG KONG STANDARD in English 23 Feb 86 p 3

["Enter the Dragon Seeds" special report by Stephen Morgan, Tasang Shuk-wa, Annie Lam, and Ivan Ho: "Great Job Advantages for Grads in Mainland"]

[Text] Local students educated in the mainland are allowed to work there and the mainland government will arrange jobs at the cadre level for them if they wish, according to officials of the XINHUA NEWS AGENCY. However, most of the students still opt to return to the territory and look for jobs with commercial firms, or apply from here for further education in overseas countries.

The major employers of China graduates are the Chinese-owned organisations and commercial firms specialising in China trade. It is known that China Resources (Holdings) and the China banks are the biggest employers of the graduates. A spokesman of China Resources declined to reveal how many of the graduates the corporation had employed. Sources close to the corporation said that it had hired a considerable number of graduates of the Economics Department of Jinan University. Graduates who had a reference from the university were exempted from the corporation's internal examination.

Another well known Chinese capital company, the Everbright Industrial Company, does not have a preference for mainland university graduates, according to a spokesman of the company. He said all applicants would go through the same interviews which would determine whether they met the requirements of the company, but he added that the company would of course like to recruit people who could speak the language of the mainland and had experienced life there.

The XINHUA AGENCY on the other hand has no preference for graduates from the mainland universities. According to Mr Lam Yau-fau of the agency, it has hired very few of the graduates. He said these graduates would not be particularly privileged by their educational background and each job application would still be considered on its merits.

The China trade companies are receptive to the graduates because of the students' possible connections with the offspring of officials and their knowledge about the mainland, sources said.

The president of the Hong Kong Alumni Association of Hua Chiao University, Mr Yeung Ka-teng, said the students currently graduating were mostly recruited by China Trade companies because those companies needed this kind of personnel. Meanwhile, alumni who graduated before the Cultural Revolution, who were mostly Indonesian Chinese driven away by anti-Chinese attitudes in Indonesia, had set up their own trading firms. There are about 1,000 pre-Cultural Revolution alumni with the association now, while current graduates number several thousand.

A lecturer with Hua Chiao University said that graduates of the technical faculties could easily get a reasonably paid job. The lecturer in the Department of Electrical Engineering, Mr Cai Zhenzhi, said the seven students he had from Hong Kong two years ago had all found jobs related to their discipline.

Mr Lam Yau-fau said medicine was also a popular subject among Hong Kong students, although the qualification was not recognised by Commonwealth countries, a category which still includes Hong Kong. The graduates of medical schools might either take the examination for non-Commonwealth medical practitioners in Hong Kong or go on to study in the USA or Canada. He said half of the graduates from the medical school of Jinan University had passed the examination held by the Medical and Health Department here last year.

The XINHUA NEWS AGENCY did not have detailed information about the careers of mainland universities' graduates, but Mr Lam had the impression from graduates surveys by Jinan University that no one from the university was unemployed.

TIMING OF AGENCY, BANK NAME CHANGES QUESTIONED

HK241315 Hong Kong SOUTH CHINA MORNING POST in English 24 Feb 86 p 10

[Text] Recent high-profile gestures by Beijing's representatives in Macao have been viewed as attempts by China to assert its authority in the territory. But some observers feel the timing can be questioned even though the moves have come as no surprise.

Officially Beijing's front office in Macao -- the Nam Kong Co -- has denied reports that it will be renamed the Macao branch of the NEW CHINA NEWS AGENCY. Although Nam Kong is registered as a trading company, it is the de facto political arm of the Chinese Government in Macao and performs the same function as the NCNA branch in Hong Kong. And well-informed sources said even if such a branch were to be set up in Macao it would only serve as a press office.

One source said: "NCNA used to have a branch in Macao back in the 1950s to 1960s. It was later scrapped because of developments in the territory." He added that the journalistic duties later fell on JOURNAL OUMUN, a pro-Beijing daily in Macao.

Some observers suggested that the reappearance of an NCNA office in Macao would fall in line with the territory's future, which will become a Special Administrative Region [SAR] when China takes it back. "Like Hong Kong, Macao will become a provincial unit when it becomes a SAR in the future, and it is conceivable that China will have to ensure the territory is independent of Hong Kong," one said.

That also explains a plan to rename Macao's Nam Tung bank the Bank of China [BOC], Macao branch, which is regarded by many as not only a confidence-booster but also an explicit expression of China's intention of upgrading the status of the 36-year-old financial institution.

Approved by the Chinese authorities, it is, however, understood that an official application has yet to be submitted to the Macao Government. "It is only a change of name. The bank's work will be the same," said one source close to Beijing.

Sources added that with Bank of China branches in major cities all over the world, China sees a need to have one in Macao. "In the past few years, quite a number of foreign banks have come to invest in Macao, and it only seems right for Nam Tung to be renamed as a BOC branch in order to gain international recognition," one explained.

The renaming plan has been generally well received in banking circles in Macao. "Nam Tung is not well known internationally, and renaming it is only a move in the right direction," said one local banker. But some observers said it is not the right time -- when people tend to over-react to any Beijing manoeuvers -- to make known such plans.

BASIC LAW CONSULTATIVE COMMITTEE ADVISERS NAMED

HK260615 Hong Kong HONG KONG STANDARD in English 26 Feb 86 p 7

[Text] The advisers: Mr William Brown, the area general manager of the Standard Chartered Bank,a past Umelco [Unofficial Members of Executive and Legislative Councils] members. Dr Woo Pak-chuen, solicitor, a past Umelco member. Dr Ma Meng, retired professor of the University of Hong Kong, a local deputy to the Chinese People's Political Consultative Conference (CPPCC). Mr Chen Hong, advisor to the Bank of China, a local deputy to the National People's Congress. Mr Robin Chan Yau-hing, chairman and managing director of the Commercial Bank of Hong Kong. Mr Kenneth Fung Ping-fan, chairman of Fung Ping Fan & Co Ltd, a past Umelco member.

Mr Lo Kwee-seong, chairman of Hong Kong Soya Bean Products Co Ltd, a local deputy to CPPCC. Mr Ng Kai-choi, director of the Thai Farmers Finance and Investment Ltd, a past member of the Taiwan's Overseas Chinese Affairs Commission. Miss Lydia Dunn, Senior Member of the Legislative Council, chairman of the Trade Development Council, executive director of the Swire Pacific Ltd. Sir Sze-yuen Chung, Senior Member of the Executive Council, chairman and chief executive officer of the Sonca Industries Ltd. Mr. Yasushi Kajiwara, general manager of the Industrial Bank of Japan. Mr Fumio Umemoto, director and general manager of the Bank of Tokyo, vice president of Hong Kong Japanese Chamber of Commerce and Industry.

Mr. Akito Odake, president of Hong Kong Japanese Chamber of Commerce and Industry, chairman and managing director of Mitsubishi Corporation (HK) Ltd. Mr Roger Benoit, chief executive officer of the Banque Nationale de Paris. Mr Thomas Ketchum, general manager and vice president of the Morgan Guaranty Trust Company of New York. Mr Ira D Kaye, president of the Hong Kong American Chamber of Commerce. Mr W Gage McAfee, lawyer, the immediate past president of the Hong Kong American Chamber of Commerce. Sir Jack Cater, deputy general manager of Guangdong Nuclear Power Joint Venture Company, a past Chief Secretary of Hong Kong Government, a past commissioner for the Independent Commission Against Corruption.

Legal Counsellor: Henry Litton, a past chairman of the Bar Association.

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UN ENVOY DENOUNCES SRV, SOVIET 'AGGRESSION'

OW261924 Beijing XINHUA in English 1857 GMT 26 Feb 86

[Text] Geneva, February 26 (XINHUA) -- Chinese delegate Qian Jiadong today denounced foreign aggression against Kampuchea and Afghanistan, the Israeli aggression in the Middle East and South Africa's obstruction of Namibia's independence as violations of the right of peoples to self-determination.

In a speech before the 42nd session of the U.N. Commission on Human Rights, the Chinese ambassador said that respect for the principle of equal rights and self-determination of peoples is one of the purposes of the United Nations. But he added that some countries that have already gained independence have once again been deprived of the right to self-determination as a result of hegemonist aggression and expansion.

On the Kampuchean issue, Qian said that Vietnam's armed occupation of Kampuchea is another vicious example of the strong bullying the weak and of flagrant violation of the right to national self-determination in the contemporary international relations. "The international community has made tremendous efforts in order to find a solution to the question of Kampuchea. The U.N. General Assembly has for seven consecutive years adopted resolutions calling for the withdrawal of Vietnamese troops, with the number of notes in favor increasing year by year."

Nevertheless, he said, the Vietnamese authorities, bent on pursuing policies of aggression and expansion, have obstinately rejected all these resolutions. "Recently, they have repeatedly clamored that they will definitely not withdraw their troops before 1990 if their conditions are not met, and probably not withdraw even after 1990 if the puppet Kampuchean Army is not strong enough," he noted. "To achieve the goal of perpetuating their occupation of Kampuchea, the Vietnamese authorities have been constantly intensifying their aggression by frantically attacking, encircling and suppressing the Kampuchean patriotic resistance forces. Carrying a policy of neo-colonialism in a systematic way, they have emigrated Vietnamese to Kampuchea on a massive scale, in an attempt to annex Kampuchea through racial, ethnical and cultural assimilation." What is more, Qian said, the Vietnamese authorities have repeatedly dispatched troops to intrude into the Thai territory, shell Thai naval bases and kill Thai people, thus seriously threatening the sovereignty and security of Thailand.

The Chinese delegate continued to say that history proves that no attempt to subjugate others through aggression and expansion has ever succeeded. "The Vietnamese authorities should realize their errors and mend their ways by immediately withdrawing all their occupation troops from Kampuchea. If they are bent on having their own way, they are bound to suffer the same fate as all the aggressors in history." Qian stated that together with the ASEAN countries and the vast majority of U.N. member states, China sternly condemns Vietnamese authorities' policies of aggression and expansion and firmly supports the Kampuchean people in their just war against the Vietnamese aggressors.

"We maintain that any proposition for a political solution to the Kampuchean question must be based on the withdrawal of the Vietnamese troops and on the exercise of the right to self-determination by the Kampuchean people. Only in this way can necessary conditions be created for solving the Kampuchean question, and for restoring peace and stability in Southeast Asia," he declared.

On the Afghan issue, the Chinese ambassador pointed out that for more than six years, Afghanistan has been under the aggression and occupation of Soviet troops. The peaceful homeland of the Afghan people has been turned into a battlefield by the aggressors. The old, women and children have fallen victims to the tanks, aircraft and artillery of the foreign aggressor troops. Nearly five million Afghan people have been forced to leave their homeland and wander destitute in other countries. He described such a situation as "an appalling human tragedy."

"The essence of the Afghan question," Qian said, "is the violation of the sovereignty of a non-aligned Islamic country, the occupation of its territory and the interference in its internal affairs by a superpower in total disregard of the right to national self-determination of the people." "The various pretexts," he said, "such as 'the acceptance of invitation,' 'to help resist foreign interference,' have long been proved to be untenable. The so-called proposal of 'political settlement,' with various unreasonable conditions attached to it, cannot deceive the world public opinion as well."

The Chinese delegate stated that the Chinese Government and people strongly condemn the foreign aggression and occupation of Afghanistan, firmly support the Afghan people in their just struggle against foreign aggression and for safeguarding national independence, and support the efforts made by the U.N. secretary-general, Pakistan and other countries for the settlement of the Afghan question. "The only correct way to solve the Afghan question is, in keeping with the relevant U.S. resolutions, to immediately and unconditionally withdraw foreign troops, to restore the independence and non-aligned status of Afghanistan so that the Afghan people can decide their own destiny without outside interference, and to guarantee the safe return of the Afghan refugees to their homeland," he stated.

The Chinese delegate also sternly condemned Israel for wantonly trampling underfoot the Palestinian people's right to self-determination and also the South African racial regime for obstructing Namibia from gaining independence. The current session of the U.N Human Rights Commission opened on February 3 and will last six weeks.

## WORKERS MOVEMENT FACING PROBLEMS IN WEST

HK260723 Beijing GUANGMING RIBAO in Chinese 10 Feb 86 p 3

[Article by Fu Xushan: "New Problems Confronting the Workers' Movement in the West"]

[Text] Over the past few years, the economy of developed capitalist countries has recovered and developed to varying degrees, but the growth rate has been low, unemployment has been serious, and the workers' living standards have not improved greatly so that trade unions are facing a serious challenge. Under such circumstances, there are many new issues for the workers' movement in the West, such as employment, collective negotiations, social security, and so on. These new issues have aroused worries and uncertainties among trade unions and workers.

After experiencing an economic crisis for many years, the economy of developed capitalist countries is still recovering slowly. So the capitalists are unwilling to increase their investment and the governments of these capitalist countries have also adopted an austerity policy. Since traditional industries, such as the steel, coal, textiles, and so on, have declined while the new, rising industries can hardly provide more employment opportunities, unemployment rates are very high. Unemployment rates in most of the capitalist countries remain at about 10 percent of the total working population, and periods of unemployment have generally become longer.

In some countries, the number of long-time unemployed accounts for 30 to 45 percent of the total unemployed workers. There are many part-time, temporary, and unofficially employed workers in those countries. In the large contingent of the unemployed, youth accounts for the highest percentage. In the 24 countries of the OECD, 40 percent of the unemployed are below the age of 25. In recent years, some developed capitalist countries have tried to solve their unemployment problem by adopting such measures as short employment periods, early retirement, and the inclusion of employment guarantee terms in contracts signed by labor and management, but have achieved little result. In 1984, the 70th International Labor Conference, attended by representatives of governments, employers, and workers, called for the adoption of an overall, productive, and free employment method and demanded that all the countries give priority to it in their national economic and social policies, and suggested improving the international trade and currency systems, narrowing the gap between the developed countries and developing countries, and establishing a new international economic order so as to make full use of resources, develop economy, and create more employment opportunities. This, however, to a certain extent, reflected the wishes of the working people all over the world but, at the same time, reflected the seriousness of unemployment. As far as the economic and social situations in those countries are concerned, the problem of unemployment cannot be solved in a short time. And the unemployment problem in some of those countries will probably become even more serious in the future.

For many years, collective bargaining has been considered the cornerstone of the trade union movement in the West. The trade unions, on behalf of the workers, hold negotiations with the representatives of management at intervals and reach agreements on such questions as pay increases, working hours, leave, welfare, working conditions, and so on, which will be binding on both sides when the agreements go into effect. By carrying out these activities, the trade unions can protect the immediate interests of the workers. However, due to the economic recession of the past few years, the organization, programs, and contents of collective negotiations have experienced great changes. These changes are detrimental to the trade union movement, because the trade unions are now often on the defensive and have to make a choice between less pay for the workers and fewer employment opportunities for the workers, thus throwing the trade union movement into a dilemma. A few years ago, when negotiating with the Ford Motor Co, the American automobile trade unions suggested on their own initiative a reduction of $4 billion in the workers' pay. This has been considered a typical example. Management is often on the offensive and has repeatedly forced workers to lower their demands, with the excuse that management has to survive the extremely sharp competition on the world market. Employers in France have put forward a so-called "flexibility of employment" proposal, which in name supplements the collective contracts or enterprise contracts, but which in reality aims at canceling all restrictions on the capitalists, which are imposed by labor legislation and agreements reached through collective bargaining. With the excuse of fighting inflation and unemployment, the governments of those countries have frequently intervened in the negotiations between labor and management at their onset. Sometimes, when the two sides have reached agreement on a workers' pay increase, the government even goes so far as to rule the agreement reached invalid, with the excuse that the agreement might cause inflation. Now, the stress in collective bargaining has shifted from demanding pay increases to employment guarantees, short working periods, the workers' right to participate in management, early retirement, and new measures for training workers, as well as workers' professional training and so on. Under such circumstances, most trade unions simply choose to compromise with management.

The method of going on strike, which was considered a decisive weapon in the past, can hardly be used today because workers fear that they will lose their jobs. In 1984, the number of workers taking part in strikes and the number of workdays sacrificed in strikes in many Western countries greatly decreased.

The trade union organizations have also been weakened, partly because a large number of workers have been dismissed from the traditional industries where the strongest trade unions used to be located. Those workers who have been dismissed have actually left the trade unions. Also, the trade unions' power to attract members has declined because of the passive and defensive position of the unions. In recent years, the number of members of trade unions in developed capitalist countries has fallen. In the United States, for example, the number has dropped by 3 to 6 percent; in the Netherlands, the number has dropped by 4 percent; and in the Federal Republic of Germany, the number has dropped by 2.5 percent.

After World War II, the workers and trade unions in western countries acquired better social security through arduous struggle. But in recent years, the economic crisis has made it difficult to raise funds for social security and has in turn brought about a crisis in social security in the developed capitalist countries, with expenditures outstripping funds raised. The fundamental reason is that the low economic growth rate and high unemployment rate have weakened the economic basis of social security. However, there are many other reasons, such as the impact of scientific and technological progress on people's material and cultural lives, and the emergence of many new problems in the field of social security: The progress of medical science has enabled the creation of a lot of sophisticated and expensive medical equipment and the introduction of new methods of medical treatment, which in turn has caused an increase in medical expenditure and in the expenses of the relevant legal, public, and social security organs; the progress of medical science and the low birth rate have made the population much older than before, thus increasing the burden of old-age pensions; because the family is experiencing a crisis (the rise in the divorce rate and so on), workers and trade unions in many countries generally demand more social security and greater incomes so as to improve the "quality of their lives," and demand that social security give security to individuals and families and prevent bad social effects from lowering their living standards. They demand that governments take into consideration policies concerning scientific progress, medical treatment, population, the elderly, and families while formulating their respective policies on social security.

## ASSEMBLY ASKED TO STUDY UN FINANCIAL CRISIS

OW261107 Beijing XINHUA in English 0858 GMT 26 Feb 86

[Text] United Nations, February 25 (XINHUA) -- The secretary-general of the United Nations, Javier Perez de Cuellar, said here today that he is asking the 40th General Assembly to be reconvened to consider immediate steps to deal with the financial emergency of the organization. This will occur in late April. The chief U.N. executive officer said this at the opening meeting of a group of 18 high-level intergovernmental experts, including Bi Jilong from China, former under-secretary-general of the United Nations. The group was set up by the General Assembly to review the efficiency of the administrative and financial functioning of the United Nations.

"This group has been formed at a time of financial crisis which leads inescapable urgency to the work you are undertaking", he told the group. He hoped they would find a longterm solution to the U.N. financial crisis. U.N. spokesman Francois Giuliani said at today's noon briefing. The possible date is the end of April. [as received]

Perez de Cuellar asked them to look into the process of setting assessments for member states; the priorities of the United Nations and use of resources in accordance with these priorities and structural and procedural changes to improve efficiency. The group will conduct a series of meetings and investigations and present its findings to the 41st session of the General Assembly.

## LI PENG WITNESSES GE EQUIPMENT CONTRACT SIGNING

OW261923 Beijing XINHUA in English 1506 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- The General Electric consortium will provide two Chinese power plants with equipment, including four 350mw coal fired generating units. A contract to this effect was signed here today between China's Huaneng International Power Development Corporation (HIPDC) and the General Electric consortium, formed by the General Electric Company (U.S.A.): Babcock and Wilcox Industries, Ltd. of Canada; and Ansaldo, S.P.A. of Italy.

Two newly-built thermal power plants in Shijiazhuang in Hebei Province and Nantong in Jiangsu Province will each get two units. The first unit is expected to go into operation in 1988.

Chinese Vice-Premier Li Peng and Minister of Water Resources and Electric Power Qian Zhengying witnessed the signing of the contract.

While meeting senior executive members of the three member firms of the consortium, the vice premier said that the signing of the contract would help ease the power shortage in China, and boost its energy supply.

Paul W. Van Orden, executive vice president of GE, replied that the consortium would carry out long-term cooperation with HIPDC in China's energy exploration.

## U.S. PAPER URGES CHECK ON ILLEGAL TEXTILES

OW250644 Beijing XINHUA in English 0631 GMT 25 Feb 86

[Text] Washington, February 24 (XINHUA) -- THE U.S. JOURNAL OF COMMERCE today called on the administration to put a check on illegal textiles instead of pursuing protectionist policies in its effort to revive the country's textile and apparel industry. "Stemming the flow of illegal goods would go a long way toward putting the U.S. textile and apparel industries back on their feet and is a better alternative than protectionism," the JOURNAL said in an editorial.

Referring to renegotiating the Multi-Fiber Arrangement (MFA) which will expire on July 31, the JOURNAL noted that developing nations want the pact liberalized to allow greater access for their goods to the United States, European and Japanese markets, while textile and apparel manufacturers in Europe and the United States oppose such liberalization. "The U.S. textile and apparel industry would like to see a more restrictive agreement resulting in the substantial reduction in imports."

The current MFA system of quotas and tariffs is already costing U.S. consumers a great deal of money, the JOURNAL pointed out. According to the Center for Study of American Business in St. Louis, MFA tariffs on textiles cost wholesalers some 3.55 billion dollars in 1984. The same study puts the cost of apparel tariffs at 13.23 billion dollars. These costs double at the retail level.

To complaints that more jobs in the textile industry will be lost without additional protection, the journal asked, "But what about the jobs of retailers and importers?" The Textile Protection Bill that passed in the house last year would have saved 71,000 manuracturing jobs, but a report by the Washington-based International Business and Economic Research Corp. says 62,000 jobs would have been lost in retailing and importing. Besides, a more restrictive MFA would hit hard the developing nations, many of which are large debtors, which rely on textile and apparel exports to meet their debt payments.

Further protectionism is not the answer to the problems of U.S. domestic industries. "There is a better way -- improved enforcement of U.S. textile and apparel controls by customs," the JOURNAL concluded.

HUANG ZHEN MEETS U.S. FRIENDSHIP DELEGATION

OW261927 Beijing XINHUA in English 1632 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- Huang Zhen, president of the China-U.S. People's Friendship Association, met and feted here this evening a four-member group from the U.S.-China Peoples Friendship Association led by President Jean Troy.

U.S. GOVERNORS CRITICIZE REAGAN'S BUDGET CUTS

OW261113 Beijing XINHUA in English 0902 GMT 26 Feb 86

[Text] Washington, February 25 (XINHUA) -- State governors wound up their annual meeting here today criticizing the Reagan administration for unfair budget cuts that would hurt the various states and localities.

Democratic governors, who account for two thirds of the 50 governors, issued a statement saying Reagan's fiscal 1987 budget proposal is a "budget of disinvestment" that short-changes America's future. They were joined by many Republican governors in attacking Reagan's position.

Three days earlier, on the 22nd, the National Governors' Association issued a statement that "governors are not prepared to accept, and will strongly oppose, attempts to shift the current federal costs back to the states and localities." They argued that the states were faced with "enormous fiscal uncertainty" because they were not sure of the scale of federal budget cuts until September, whereas fiscal year for most states starts on July 1, as against October 1 for the federal government.

The governors estimated that aid to state and local governments would be cut by 16.1 billion dollars, or 19 percent, from current grants, with many programs eliminated thereof. The estimates were based on Reagan's budget proposal advocating a shift of the cost of many programs to the states and local governments. The cuts will affect the various states differently. The south, the midwest and the west will be hit especially hard because their economies are based on agriculture and oil industry, both of which are now in deep trouble. Sixteen states in these areas have already cut their budgets this year by 1 to 5 percent to avert deficits.

XINHUA ON GORBACHEV REPORT TO CPSU CONGRESS

OW270259 Beijing XINHUA Domestic Service in Chinese 0911 GMT 26 Feb 86

[Text] Moscow, 25 Feb (XINHUA) -- In a report to the 27th CPSU Congress, Gorbachev, general secretary of the CPSU Central Committee, proclaimed today that the statement on the question of disarmament he made on 15 January this year is a Soviet program and that the central orientation of Soviet foreign policy for coming years is to try to carry out the "concrete action program" set forth in that statement.

He said that the main objective of Soviet international strategy is to "provide the Soviet people with the opportunity to work in conditions of consolidated peace and freedom," and that at present it is necessary, first and foremost, to "put a stop to material preparations for a nuclear war."

Gorbachev denounced the "military policy for force" pursued by the United States and NATO countries during the first half of the 1980's and accused Washington of "remaining deaf to calls to halt the arms race." He stressed that the Soviet Union would ensure "the continuity of its foreign policy strategy, but this does not mean the simple repetition of what has already been gone over, especially in approaching accumulated problems. What is necessary is firmness in upholding principles and positions, tactical flexibility, and readiness for mutually acceptable compromises -- the aim being not confrontation, but dialogue and mutual understanding."

Referring to Soviet-U.S. relations, Gorbachev reaffirmed that the Soviet Union would continue to oppose U.S. efforts to realize its "star wars" program. He said that the response President Reagan made the day before yesterday to his 15 January disarmament statement agrees in general with some of the Soviet theses and considerations on questions of disarmament and security and "seems to contain some encouraging [ling ren gu.Wu di 0109 0086 7849 5294 4104] opinions and theses, but these positive pronouncements are swamped in various reservations, 'linkages,' and 'conditions,' which in fact block the solution of radical problems of disarmament." From Reagan's letter, he said, "it is difficult to observe a serious readiness on the part of the U.S. authorities to embark in reality on a solution to radical problems of eliminating the nuclear threat."

Regarding the upcoming Soviet-U.S. summit, Gorbachev said that the meeting ought to produce practical results in the key areas of limiting and reducing armaments, at least bringing about agreement on two matters -- cessation of nuclear tests and abolition of U.S. and Soviet intermediate-range missiles in Europe. He said: "if there is readiness to seek agreement, the question of the time of the meeting would be resolved of itself."

Gorbachev also said in his report that the Soviet Union will "not relax in the slightest" in strengthening its national defense force and the fighting power of its Armed Forces in view of the complicated international situation at present.

Touching on the Afghan issue, Gorbachev proclaimed that the Soviet Union would like to "bring its forces in Afghanistan back to the homeland in the near future." However, he added that the "phased troop withdrawal" can only be conducted after "a political settlement is reached that provides a real end to, and reliably guarantees a nonresumption of, foreign armed interference in Afghanistan's internal affairs."

Speaking on the improvement of Sino-Soviet relations, Gorbachev sidestepped the three major obstacles, which are known to all, but emphasized once again the so-called "no harm to third countries." He said: "We can say with satisfaction that there has been a certain improvement in the Soviet Union's relations with its great neighbor -- socialist China. Differences in attitudes remain, particularly over a certain number of international problems. But we have to point out something else: The possibility in many cases of working together and coordinating with each other [xiang hu xie tiao 4161 0062 0588 6148] on the basis of equality and principle without harm to third countries." In addition, he said: "Thinking of the future, one can say that the reserves for cooperation between the Soviet Union and China are enormous. They are enormous because such cooperation is in the interests of both countries and because what is most dear to our peoples -- socialism and peace -- are indivisible."

TASS REJECTS U.S. ARMS COUNTERPROPOSALS

OW251240 Beijing XINHUA in English 1227 GMT 25 Feb 86

[Text] Moscow, February 25 (XINHUA) -- The Soviet official news agency TASS Monday dismissed U.S. counterproposals to the latest Soviet disarmament initiative as a "propaganda manoeuvre" designed to block a "mutually acceptable accord."

The U.S. counter-proposals came in a letter President Reagan sent to Soviet leader Mikhail Gorbachev over the weekend in reply to the Kremlin's January 15 arms proposal calling for phased elimination of all nuclear weapons by the end of the century. According to a report in Monday's WASHINGTON POST that U.S. President Ronald Reagan proposed elimination within three years of all medium-range missiles in Europe and Asia. This was "unconstructive" and only a variation of the earlier "zero option," TASS said.

The Soviet news agency also charged that the U.S. proposal had been designed to gain an advantage over the Soviet Union and had blocked the Geneva talks on intermediate nuclear weapons.

TASS REPORTS MARCOS' EXILE FROM PHILIPPINES

OW260124 Beijing XINHUA in English 0119 GMT 26 Feb 86

[Text] Moscow, February 25 (XINHUA) -- The official Soviet news agency TASS, which had been accusing Washington of interfering in the Philippine's internal affairs, today quickly reported former Philippine President Ferdinand Marcos' exile abroad and the U.S. recognization of the new Philippine Government led by Corazon Aquino. However, TASS did not mention if Moscow would recognize the new Philippine Government.

President Marcos, who was accused of manipulating his country's general elections to keep himself in power and aroused popular indignation, left on a helicopter today along with his family for the U.S. Clark Air Force Base, 65 kilometers north of Manila, to board a flight to Guam Island on his way to exile.

## SOUTH KOREAN OPPOSITION REJECTS CHON PROPOSAL

OW261949 Beijing XINHUA in English 1314 GMT 26 Feb 86

[Text] Pyongyang, February 16 (XINHUA) -- South Korean opposition party leaders Kim Tae-chung and Kim Yong-sam rejected on Tuesday the proposal made by "President" Chon Tu-hwan that the "amendment of the Constitution" would be postponed until 1989, according to the report from Seoul. The opposition party leaders said Chon's proposal is "not worth considering." They will continue "the 10-million-strong signature movement" for the "constitutional revision."

According to the report that Chon Tu-hwan insisted on postponing the discussion on amending the "Constitution" until 1989. Chon's remarks were made at a luncheon meeting Monday with top members of three political groups, including No Tae-u, representative of the Democratic Justice Party, Yi Min-u, chairman of the New Korea Democratic Party and Yi Man-sop, chairman of the National Party. Chon, however, proposed that "a special Constitution study committee" be set up in Parliament to prepare for the amendment. The Seoul radio said the "luncheon meeting" has helped ease the confrontation between Chon and the opposition.

Kim Tae-chung and Kim Yong-sam, co-speakers of the Council for the Promotion of Democracy, said it is inconceivable that the authorities asked not to launch any peaceful movement for the "constitutional amendment" before 1989. They stressed that the purpose of the opposition parties is not only to study the "Constitution" but to amend it. They said the "Constitution" should be revised before 1989, thereby, under the new system the presidential election could be held in 1988.

The opposition party leaders said they will continue the signature campaign and expand it to the whole area of South Korea. They said the authorities did not stop suppressing the people pressing for revising the "Constitution", and "there will be, at any time in the future, suppression." According to another report, the opposition party -- the New Korea Democratic Party held a meeting on February 24 and established a "headquarters of committees for the promotion of consitutional amendment." Some local representatives have signed their names during the meeting.

## DPRK SAYS U.S. 'AERIAL ESPIONAGE' INCREASING

OW261939 Beijing XINHUA in English 1646 GMT 26 Feb 86

[Text] Pyongyang, February 26 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) today accused the United States of having increased its aerial espionage above the east and west territorial waters of the country to 12 cases since the "Team Spirit-86" joint military exercises started.

A report from the KOREAN CENTRAL NEWS AGENCY (KCNA) said that today a "SR-71" high-speed, high- itude reconnaissance plane infiltrated deep into the sky above the territorial waters east of Kosong on the east coast of DPRK. Later, the KCAN report said, the plane was sent once again into the sky above the coastal waters off Sonbong County, North Hamgyong Province. It noted that the total number of cases of U.S. aerial espionage into DPRK's air space has counted for 12 since the U.S.-South Korean joint war game started on February 10.

FURTHER REPORTAGE ON SITUATION IN PHILIPPINES

Aquino Meets Press

OW261512 Beijing XINHUA in English 1454 GMT 26 Feb 86

[Text] Manila, February 26 (XINHUA) -- President Corazon Aquino today called upon all Philippine people including former government officials to work together for the orderly transition of the government.

Speaking at her first press conference here since she assumed the presidency, she said she had a very cordial meeting with 12 Cabinet members of the former government and told them "to heal the wounds and forget the past and rebuild our country." Mrs Aquino said members of parliament from the former ruling party, the New Society Movement, are ready to cooperate with the new government.

Most of the questions asked by foreign and local pressmen at the press conference were concentrated on domestic problems. She emphasized that there are so many urgent questions needed to be taken up. She wished that the people would give her time as she had attained power for only 24 hours. She said she will never forget her promises made during her election campaign.

She said her first concern will be to improve the lot of the poor, the unemployed and the underemployed, and work hard on an economic recovery program.

She said the hidden wealth problem of the Marcos' family and the murder case of her husband will be handled by a presidential commission on good government. She denied she will ask for the trial of Marcos.

Dealing with her position on the two U.S. military bases in the Philippines, she reiterated that "I will respect the military bases agreement until 1991, and I am keeping my options open."

She said the relations between the Philippines and other countries will be better. She said she has received letters of congratulation from governments of Australia, New Zealand, Japan, Canada and the United States.

Defense Minister Juan Enrile said at the same press conference that there is no more military challenge to the new government and no more fighting.

Aquino Announces New Cabinet

OW261326 Beijing XINHUA in English 1306 GMT 26 Feb 86

[Text] Manila, February 26 (XINHUA) -- Philippine President Corazon Aquino today announced her full Cabinet at her first press conference since she took oath as the seventh president of the republic yesterday.

Salvador Laurel, vice president and prime minister, was named foreign minister
Other members of the Cabinet are:

Minister of Finance: Jaime Ongpin
Minister of Defense: Juan Ponce Enrile
Minister of Justice: Neptali Gonzales
Minister of Education: Lourdes Quisumbing
Minister of Local Government: Aquilino Pimentel
Minister of Public Works: Rogaciano Mercado
Minister of Trade and Industry: Jose Concepcion

Minister of Agriculture: Ramon Mitra
Minister of Tourism: Jose Antonio Gonzales
Minister of Information: Teodoro Locsin
Minister of Natural Resources: Ernesto Maceda
Minister of Budget: Alberto Romulo
Central Bank Governor: Jose Fernandez, who keeps his post.

Mrs. Aquino also formed a presidential commission on good government to be headed by Jovito Salonga, and a government reorganization commission headed by Luis Villafuerte.

Enrile Meets Press

OW261716 Beijing XINHUA in English 1549 GMT 26 Feb 86

[Text] Manila, February 26 (XINHUA) -- President Corazon Aquino today authorized Defense Minister Juan Ponce Enrile to seize all assets and funds of all casino installations operated by the former government, the PHILIPPINE NEWS AGENCY reported.

All private assets taken during the period of martial law were also placed under sequestration, Enrile said at a press conference today at Camp Aquinaldo, the site of the Defense Ministry. He said he would probably recommend to the president that all assets of business enterprises taken by persons close to the old regime should be treated with such an arrangement before they are returned to their rightful owners.

Enrile also appealed to all government officials and employees not to tamper with public records and must not take out any record from government offices.

The issue of retirable generals on extended service is being handled and a recommendation would be made to strictly enforce the military retirement law, he said. "Our main effort at this movement is to immediately start the professionalization of the military organization," Enrile added. He said appointment, promotion and asignment in the military services, including the police service, should be based solely on qualification and merit and not favoritism.

As to those who have guns or private armies and have used them against the people in various ways, Enrile said that they must now surrender their firearms before the military organization "will proceed against them."

Several members of the former ruling New Society Movement headed by former Prime Minister Cesar Virata went to Enrile's office this morning offering him the presidency of the party, but the defense minister refused. Enrile said he would remain neutral in the political activities of the parties in the country.

NEW ZEALAND'S LANGE GREETS PRESIDENT AQUINO

OW261235 Beijing XINHUA in English 1122 GMT 26 Feb 86

[Text] Wellington, February 26 (XINHUA) -- New Zealand Prime Minister David Lange today congratulated Corazon Aquino on her installation as Philippine president. Lange said in his message, "All New Zealanders join with me in expressing our deep sense of relief that the turmoil of the last few days has come to an end."

Concerning the possibility of a meeting with Mrs Aquino, Lange said there would be an opportunity to do so after the ASEAN conference is held in Manila at the end of June.

Lange also said that the departure of former Philippine President Ferdinand Marcos was "a great relief."

## PHILIPPINES' MARCOS TO HAVE SAFE HAVEN IN U.S.

OW27C134 Beijing XINHUA in English 0110 GMT 27 Feb 86

[Text] Washington, February 26 (XINHUA) -- Former Philippine President Ferdinand Marcos and 88 others accompanying him, who left Guam for Hawaii this morning, would have safe haven in the United States, White House spokesman Larry Speakes said here today.

Speakes told reporters that Marcos and his party left Guam on a U.S. C-141 transport aircraft for Hickam Air Force Base in Hawaii, where they will stay temporarily. Marcos had talked with U.S., authorities about the possibility of locating there, Speakes added.

The spokesman said that Marcos will remain at Hickam "for a period of time, at which we will be discussing with him his desires for his future, where he would like to go from there."

### Guam Departure

OW261722 Beijing XINHUA in English 1555 GMT 26 Feb 86

[Text] Washington, February 26 (XINHUA) -- Former Philippine President Ferdinand Marcos left Guam at 8:54 a.m. today for Hawaii after a 13-hour stay at a U.S. air base there, it is learned here today. Marcos was being carried to Hawaii on a U.S. C-141 transport plane in the heavy rain. It will take eight hours for him to reach Hawaii. Marcos arrived in Guam yesterday from the Clark U.S. Air Base near Manila. Together with the exiled Philippine president were his wife Imelda, Gen. Fabian Ver, a close associate and former chief of Filipino military forces, and Ver's wife.

The Marcos party is 55 who all boarded the single C-141 plane.
There is no information where Marcos will go after his arrival in Hawaii.

### Hawaii Arrival

OW270130 Beijing XINHUA in English 0107 GMT 27 Feb 86

[Text] Washington, February 26 (XINHUA) -- Former Philippine President Ferdinand Marcos, who left Anderson Air Force Base in Guam about eight hours earlier, arrived in Hawaii at 3:42 p.m. EST today.

Marcos, with a party of 88 people, left Guam on a U.S. C-141 transport aircraft to Hickam Air Force Base in Hawaii at 8:54 a.m. EST today (11:54 p.m. local time) after a 13-hour stay there.

White House spokesman Larry Speakes told reporters earlier today that Marcos would remain in Hawaii "for a period of time, at which we will be discussing with him his desires for his future, where he would like to go from there."

It was reported that Marcos, who arrived in Guam Tuesday night (local time Wednesday morning) from U.S. Clark Base in the Philippines, had suffered from lupus, a debilitating disease that affects his kidneys. But he did not go to the U.S. Naval Hospital there, Speakes revealed.

## ASEAN URGES POSITIVE SRV RESPONSE ON CAMBODIA

OW261945 Beijing XINHUA in English 1310 GMT 26 Feb 86

[Text] Bangkok, February 26 (XINHUA) -- The Association of South East Asian Nations (ASEAN) in a statement distributed here today appeals to Hanoi for positive response to the proposal of the Coalition Government of Democratic Kampuchea (CGDK) on the solution of the Kampuchean problem.

The statement dated February 24 in the name of the chairman of the ASEAN standing committee declares, "The ASEAN member states welcome the statement of the CGDK and strongly support the position of the CGDK as spelled out in the statement." The ASEAN statement says that the CGDK issued a statement on February 8, reaffirming its desire to seek a lasting and peaceful solution to the Kampuchean problem.

The CGDK stressed the important of national reconciliation among the Kampuchean people, free from external interference, as an essential element to a lasting settlement of the Kampuchean problem and also reaffirmed its readiness to enter into direct negotiation with Vietnam to discuss the basic elements of a just and lasting settlement of the Kampuchean problem, the statement adds. It stresses, "The ASEAN member states fully share the views with the CGDK that these elements are essential for a just and durable solution to the Kampuchean problem."

SRV TROOPS KILLED IN PHNOM PENH AIRPORT RAID

OW261101 Beijing XINHUA in English 0728 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- A special team of the Democratic Kampuchea National Army successfully raided Pochentong International Airport, about 5 kilometres west of Phnom Penh, February 12, according to Radio Democratic Kampuchea today.

During the 30 minutes' attack, which started at 10:25, p.m., 23 Vietnamese were killed, 30 others injured, and two aircraft and three ammunition depots destroyed the radio said.

U.S. GROUP ARRIVES IN VIETNAM FOR MIA TALKS

OW261506 Beijing XINHUA in English 1444 GMT 26 Feb 86

[Text] Hanoi, February 26 (XINHUA) -- A four-member U.S. delegation arrived here today for discussion on MIA issues with Vietnam. Paul D. Mather, head of the delegation, told XINHUA correspondent that they would discuss with Vietnamese officials on some details of the MIA issues, such as to furnish information of the missing Americans and take measures for searching the possible remains of American soldiers.

The delegation is scheduled to hold talks with a Vietnamese delegation led by a deputy chief of a department of the Vietnamese Foreign Ministry tomorrow, and to visit on February 28 a site outside Hanoi City where a U.S. aircraft crashed during the war.

It was said that the Vietnamese side might in the near future turn over the U.S. side a number of remains of Americans missing in the war. But Mather said he had not received any information on this matter.

THAI-CHINESE ASSOCIATION MARKS ANNIVERSARY

OW260846 Beijing XINHUA in English 0730 GMT 26 Feb 86

[Text] Bangkok, February 25 (XINHUA) -- The Thai-Chinese Friendship Association celebrated its 10th anniversary here tonight. The chairman of the association Chatchai Chunhawen said the association has made valuable contributions in promoting cultural exchanges and strengthening economic cooperation between Thailand and China.

Wang Fulin, vice president of the Chinese People's Association for Friendship With Foreign Countries, who is heading the Chinese delegation to the celebrations, said China wants to strengthen Thai-Chinese friendship and safeguard Asian and world peace.

Zheng Tianxiang, visiting president of the Supreme People's Court, and his party were also invited to the meeting.

The Thai-Chinese Friendship Association was founded in February 1976, one year following the establishment of Sino-Thai diplomatic relations.

HONG KONG BASIC LAW COMMITTEE SEEKS ADVISERS

HK262031 Beijing XINHUA Hong Kong Service in Chinese 1356 GMT 25 Feb 86

[Text] Hong Kong, 25 Feb (XINHUA) -- To enable more people with specialized knowledge and extensive social influence to participate in the consultative work on the basic law, the Consultative Committee for the basic law of the Hong Kong Special Administrative Region of the PRC called a special session of the executive committee this afternoon. The session resolved to invite well-known Hong Kong personalities from various circles to act as advisers to the Consultative Committee.

Eighteen advisers have been invited, including lawyers, academics, people in banking and commercial circles, Hong Kong NPC deputies, Hong Kong CPPCC members, and both former and current members of the Executive and Legislative Councils of Hong Kong. Foreigners account for half of the total.

The special session also decided to invite a barrister to be legal adviser to the Consultative Committee.

A Consultative Committee spokesman disclosed that after formal letters of invitation are issued, a final decision will be made in agreement with the advisers who have been invited.

CHINA TRAVEL AGENCY LAUNCHED IN HONG KONG

OW260905 Beijing XINHUA Domestic Service in Chinese 1533 GMT 24 Feb 86

[Excerpts] Hong Kong, 24 Feb (XINHUA) -- The Travel Agency (Group) Company Limited in Hong Kong gave a cocktail party today to celebrate its inauguration and the establishment in the Overseas Chinese City in Shenzhen Economic Zone. Some compatriots, Overseas Chinese, and other Chinese and foreign guests.

Chairman of the Board of Directors of the company is Liang Lingguang. Huang Zhensheng and Ma Zhimin (concurrently general manager) are its vice-chairmen.

Liang Lingguang said at the party that it has been 58 years since the Hong Kong China Travel Agency was established in 1928. In recent years, with China opening to the outside world and Hong Kong achieving prosperity and stability, the company has continuously expanded its scope of service. It has now become a group enterprise handling tourism, freight transport, and trade.

The China Travel Agency Group now has 13 subsidiaries. It has branches in Thailand, the Philippines, the United States, The United Kingdom, Australia, and other countries, as well as offices in Guangzhou, Beijing, and Shanghai. The group and its affiliated enterprises have more than 6,000 employees.

Attending the party were Xu Jiatun, director of the XINHUA NEWS AGENCY's Hong Kong branch office: He Ying, vice chairman of the NPC's Overseas Chinese Committee; Zhuang Yanlin, deputy director of the State Council's Overseas Chinese Affairs Office; Yi Meihou, vice president of the All-China Federation of Returned Overseas Chinese; Huo Yingdong, president of Hong Kong's Chinese General Chamber of Commerce; and Zhen Xipei, vice mayor of Shenzhen City.

## HONG KONG HOSTS HIGH TECHNOLOGY SYMPOSIUM

OW221830 Beijing XINHUA in English 1604 GMT 22 Feb 86

[Text] Hong Kong, February 22 (XINHUA) -- Hong Kong has the potential of being a center for technology transfer not only for itself but also for industrial cooperation with the Chinese mainland. This is the general view of scholars from various countries and regions attending a one-day symposium on high technology here today.

The executive director of the Hong Kong Productivity Council, S.K. Chan, said that although it seems unlikely that Hong Kong will create significant contribution in the advanced technologies, the city has scope for the increased development of technology-intensive business, the success of which depends on an essential technology infrastructure.

The vice-president and general manager of Motorola Semiconductors (Hong Kong) Ltd., C. Tam, said that Hong Kong's electronics industry has derived its growth from manufacturing 'fad' products or doing subcontract work on medium-size semiconductor-based systems.

To meet the challenges of the new age of "very large-sized integrated circuit," he said, the industry has to couple low-cost production with more engineering innovation in order to stay competitive.

Hong Kong's acting director of industry, A.G. Eason, said the government would take measures to assist achieving greater value added through application of modern production techniques.

S.C. Tam, an adviser of the Hakkaido Takushoku Bank, said that the Chinese mainland is developing a high technology base and export-oriented industries are being established in coastal cities and in special economic zones.

Currently Hong Kong is gradually moving into the high technology field, he said. There are thus plenty of opportunities for cooperation between the Chinese mainland and Hong Kong in high-tech industries, he added.

Li Chuwen, deputy director of the Hong Kong branch of XINHUA NEWS AGENCY, said that as the economic ties between the interior of China and Hong Kong are becoming increasingly closer, it is expected that they will be manifested in the scientific and technological fields as well.

ZHENG TUOBIN MEETS WEST GERMAN VISITORS

OW261343 Beijing XINHUA in English 1327 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- Zheng Tuobin, minister of foreign economic relations and trade, met here today Siegfried Lengle, secretary of state in the Ministry for Economic Cooperation of the Federal Republic of Germany, and his party. The visitors arrived here last Saturday. During their stay here, they discussed and reached agreement with Chinese officials on setting up an advanced technology training center in Tianjin.

TIAN JIYUN MEETS UK FOOD INDUSTRY GROUP

OW251426 Beijing XINHUA in English 1301 GMT 25 Feb 86

[Text] Beijing, February 25 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met a delegation from the British food and beverage group at the Great Hall of the People here this afternoon. Tian expressed the hope that China and Britain would conduct multiform cooperation in the food industry with positive results.

Led by Earl Jellicoe, chairman of the British Overseas Trade Board, and Sir Ronald McIntosh, chairman of the British Food and Beverage Group, the delegation arrived in Beijing February 23 as guests of the China Council for the Promotion of International trade. They held talks with leaders of the Ministries of Light Industry, Commerce, Foreign Economic Relations and Trade, and Agriculture, Animal Husbandry and Fisheries on the possibilities of cooperation between the two sides in the form of technology transfer, compensation trade and loan extension. The delegation will leave here tomorrow for a tour of Nanjing and Wuhan.

UK FIRMS DO NOT EXPECT BIG SDI CONTRACTS

OW261109 Beijing XINHUA in English 0911 GMT 26 Feb 86

[Text] London, February 26 (XINHUA) -- Most British high-technology companies interested in the U.S. Strategic Defence Initiative (SDI) research program are uncertain whether they will be in a position to win significant contracts under the 26-billion dollar SDI program, the FINANCIAL TIMES newspaper reported today. An informal poll of managers from 25 such companies found that only seven said they were optimistic about winning contracts valued at one million pounds or more in the later stages of the SDI program.

Last December Britain became the first country to join the U.S. SDI program, popularly known as "star wars". British companies are expected to win small research contracts cunulatively worth about five million pounds (7 million dollars) during the next year, the newspaper predicted. Last year, the British Government unsuccesfully attempted to get a U.S. guarantee to provide 1.5 billion dollars of star wars work for Britain.

At an one-day conference on star wars project organised yesterday by the Greater London Council and the European proliferation information center, Denis Healey, foreign affairs spokesman of the Labor Party, said that the Anglo-American agreement on British participation in the SDI program failed to secure assurances on the transfer of technology between the two countries. At the conference, John Bike, associate director for space policy of the Federation of American Scientists, said British companies could not expect star wars contracts in excess of about 60 million dollars over the five-year SDI research period. He said non-U.S. companies working on the program would probably receive a total of 300 million dollars, or about one per cent of the sum allocated to the project. This would be shared by companies from several countries, including West Germany, Italy and France.

DUTCH FOREIGN MINISTER ON MISSILE DEPLOYMENT

OW250916 Beijing XINHUA in English 0859 GMT 25 Feb 86

[Text] The Hague, February 24 (XINHUA) -- Dutch Foreign Minister Hans van den Broek said here today that parliamentary ratification of the Dutch-American accord allowing the deployment of 48 U.S. cruise missiles on the Dutch soil will not be a reflection on the Geneva arm control negotiation. The vote in Parliament, he said, "does in no way anticipate the outcome of the Geneva negotiations."

Speaking at a luncheon of the Foreign Press Association this afternoon, Van den Broek said that all NATO countries hope that "Geneva negotiations will ultimately lead to the elimination of all the intermediate-range force weapons at stake." He told reporters that Dutch Parliament will this week debate ratification of the Dutch-American accord on the deployment of U.S. missiles in his country by the end of 1988. If an agreement on a ban of all medium-range weapons is reached in Geneva before the end of 1988, he added, "no deployment of the cruise missiles will take place in the Netherlands in spite of a ratified agreement." However, the foreign minister noted that "as matters are, we cannot expect an agreement on the overall elimination of medium-range weapons to be concluded in Geneva in a week or two, or in a matter of a few months." So, he added, "the Dutch are still in the process of joining the steps taken as long ago as in 1979 by the NATO allies."

On Gorbachev's January proposal, Van den Broek expressed support for the U.S. "zero-option" and the "globality" principle. While appreciating some "negotiable points" in the Soviet proposal, he noted that the proposal does not "include missiles deployed in the Asian parts of the Soviet Union. "We can not arrive at a solution at the expenses of the security interests of our friends in the far east such as Japan and Australia," he said.

FRG LEADERS CALL ON SPAIN TO REMAIN IN NATO

OW260940 Beijing XINHUA in English 0841 GMT 26 Feb 86

[Text] Bonn, February 25 (XINHUA) -- Federal German leaders called on Spain to contribute more effort to the joint defence and development of Western Europe. Speaking at a lunch today in honor of visiting Spanish King Juan Carlos, Federal German Chancellor Helmut Kohl said he hoped that Spain will continue to stay within the North Atlantic Treaty Organization (NATO) and participate in the joint defence of the region. Spain will hold a public referendum on March 12 to decide whether it will remain in NATO.

Federal German President Richard von Weizsaecker said in his meeting with King Carlos yesterday that Spain's entry into the European Communities at the beginning of this year marked a new era of European expansion. Democracy in Spain has not only breathed new life into the country but also will help rejuvenate the whole European Continent, he noted. Carlos, who arrived here yesterday for a state visit to Federal Germany, told Federal German leaders that Spain's participation in EC demonstrates its willingness to play a more active role in building a united Europe. Spain will strengthen its ties with the Latin American countries within the frame-work of the community and contribute to EC's dialogue with Arab countries, the Spanish king added.

Carlos reiterated that Spain appreciated Federal German support for Spain's participation in the communities, adding that the support not only demonstrated Federal Germany's friendship with Spain, but also promoted the unity of Europe. In an interview with Spanish television correspondents today, Federal German Foreign Minister Hans-Dietrich Genscher also said that his government welcomes any Spanish decision to remain within NATO so as to strengthen the organization.

## 'VIGOROUS' GROWTH OF PRC-SFRY RELATIONS HAILED

OW230425 Beijing XINHUA in English 0221 GMT 23 Feb 86

[Text] Belgrade, February 23 (XINHUA) -- The vigorous growth of political and economic relations between Yugoslavia and China in the past decade has provided a sound basis for a further cooperation in the future, a senior Yugoslav official said.

In an interview published in the Zagreb daily VJESNIK Saturday, Dr. Mijat Sukovic, deputy premier and co-chairman of the Mixed Yugoslav-Chinese Committee for Economic, Scientific and Technological cooperation, said underway are negotiations between the two countries on 59 joint projects, 20 of which have been agreed upon. The two-way trade last year reached 166 million U.S. dollars and both sides wish that their economic relations will be enriched with forms of long-term cooperation, he added.

Expressing his confidence in the prospects of Yugoslav-Chinese economic relations, Dr. Sukovic noted that China had planned to launch many new projects in the years up to 1990 and in its modernization drive it will continue to make use of scientific-technological achievements, experience of economic development and funds of other countries including Yugoslavia.

Dr. Sukovic visited China late last year and had talks with his hosts on joint production of copper, coking coal, a brewery and on the participation of Yugoslavia in the construction of hydropower plants and the reconstruction of existing plants.

## SFRY CONGRATULATES NEW PHILIPPINE GOVERNMENT

OW270410 Beijing XINHUA in English 0234 GMT 27 Feb 86

[Text] Belgrade, February 27 (XINHUA) -- The Yugoslav Government Wednesday joined other countries in recognizing and congratulating the new government of the Philippines led by Corazon Aquino. In a telegram sent to Aquino, Yugoslav State Presidency President Radovan Vlajkovic expressed the willingness to develop friendly relations and cooperation with the new government, according to the Yugoslav news agency.

Meanwhile, the leading Yugoslav newspaper BORBA accused former Philippine President Ferdinand Marcos of being a dictator, under whose rule the Philippines became one of the poorest countries in Southeast Asia, it said. The newspaper said Marcos' exile in the United States symbolizes the beginning of a new era in the island country.

The newspaper said, however, the restoration of democracy in the Philippines still depends on whether the Armed Forces will "go back to its barracks" and its leaders will return various government posts to civilians.

## MAURITANIA'S TAYA CONCLUDES VISIT, DEPARTS

### Arrives in Shanghai

OW251335 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 24 Feb 86

[Excerpts] Colonel Taya, chairman of the Military Committee of National Salvation and head of state of Mauritania, while he was visiting in Jiangning County, Nanjing City, said China has already achieved remarkable results in rural reforms, pointing out that one convincing piece of evidence is Jiangning County itself, which increased the total value of its industrial and agricultural output by as much as 35 percent in 1985 as compared to the previous year.

Chairman Taya, who is deeply interested in China's rural reforms, went by car to visit Dongshan Town on the outskirts of Nanjing City -- the county seat of Jiangning -- this morning in the company of Governor Gu Xiulian and Cui Yueli, minister of public health in China. Hundreds of local people lined the street to welcome him.

Chairman Taya and party, accompanied by Minister of Public Health Cui Yueli, left Nanjing by special plane this afternoon for a visit to Shanghai. He was seen off at the airport by Governor Gu Xiulian and Mayor Zhang Yaohua.

### Feted by Mayor

OW241336 Beijing XINHUA in English 1316 GMT 24 Feb 86

[Text] Shanghai, February 24 (XINHUA) -- Colonel Maayouia Ould Sid Ahmed Taya, chairman of the Military Committee of National Salvation and head of state of Mauritania, and his party were honored at a banquet given by Shanghai's Major Jiang Zemin here this evening. The Mauritanian visitors arrived here from Nanjing this afternoon.

Taya and his party visited three factories, a medical school and rural households in Nanjing earlier today. Gu Xiulian, governor of Jiangsu Province, and Zhang Yaohua, mayor of Nanjing, saw the visitors off at the airport upon their departure from Nanjing.

### Departs For Home

OW261142 Beijing XINHUA in English 1056 GMT 26 Feb 86

[Text] Shanghai, February 26 (XINHUA) -- Maayouia Ould Sid Ahmed Taya, the Mauritanian head of state, left here for home this morning with his wife and party after concluding [words indistinct] visit to China. Before leaving Shanghai, Cui Yueli, chairman of the Chinese Government's Reception Committee and minister of public health, conveyed regards from President Li Xiannian and his wife to Taya and his wife.

Both President Li and Taya spoke of the friendly cooperation between China and Mauritania and of the importance of developing bilateral relations. Taya said his visit "is unforgettable and marks an important stage in bilateral relations." Taya praised China's economic restructuring and open policy to the outside world by saying "China's remarkable achievements in this field have [words indistinct] deep impression on me. We have seen during the visit the significance and effectiveness of these policies in China's development and in raising the living standard of the people." Yesterday, the Mauritanian guests visited two factories and the harbor in Shanghai.

## SIERRA LEONEAN PRESIDENT CONTINUES VISIT

### Invites Hu Yaobang To Visit

OW262201 Beijing Domestic Service in Mandarin 1600 GMT 26 Feb 86

[TExt] In a meeting with Sierra Leone President Momoh at Zhongnanhai on the afternoon of 26 February, General Secretary of the CPC Central Committee Hu Yaobang said: We are expanding the economy in order to make the people well-to-do and ensure their life improves with the yearly increase in production.

The meeting took place in a cordial and friendly atmosphere. President Momoh said: China is a true friend of ours, and the friendship between our two countries is great. He hoped to develop mutually beneficial cooperation with China.

Hu Yaobang said: All exchanges between the two countries should serve economic cooperation.

During the meeting, President Momoh extended an invitation to General Secretary Hu Yaobang to visit Sierra Leone. The latter accepted the invitation with delight. President Momoh gave a return reception at the Sierra Leone Embassy this evening. President Li Xiannian attended the banquet.

### Hosts Banquet

OW261746 Beijing XINHUA in English 1641 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) — Sierra Leone President Joseph Saidu Momoh said at a return banquet given by him in the Sierra Leone Embassy here this evening that his China visit was very fruitful. Chinese President Li Xiannian attended the banquet.

Momoh said China's efforts in expanding her economy had left a deep impression on him and strengthened his belief in South-South cooperation. He said, developing countries can benefit from comparing their experience and should work for the promotion of dialogues and cooperation among them.

President Li Xiannian said that in the past few days, leaders of the two countries exchanged views on major international and regional issues of common concern and an identity of views was reached. He said positive results were achieved in the discussions concerning ways to strengthen the friendly cooperation between the two countries in the political, economic and other fields, a new agreement on economic and technical cooperation will be signed tomorrow, he added. He expressed the belief that Sino-Sierra Leone friendly relations and cooperation would develop to a new height. Chinese State Councillor and Foreign Minister Wu Xueqian attended the banquet.

President Momoh and his entourage will leave Beijing for a visit to Guangzhou and Shenzhen tomorrow. This afternoon Momoh placed a wreath at the Monument to the People's heroes on the Tiananmen Square and visited the memorial hall for the late Chairman Mao Zedong.

## MUBARAK ISSUES STATEMENT ON RIOT IN EGYPT

OW270142 Beijing XINHUA in English 0057 GMT 27 Feb 86

[Text] Cairo, February 26 (XINHUA) — Egyptian President Husni Mubarak tonight described the security police riot as a stab at the Egyptian people who are working hard for the sake of their country.

In a broadcast and T.V. speech to the Egyptian people tonight, the president pointed out that the incident had taken place at a time when Egypt was exerting its utmost efforts for the sake of building and reconstruction in Egypt and was confronting difficult circumstances without adding new burdens on the people with limited income despite shortage in Egypt's primary resources.

The president said that last night groundless rumours were spread at the State Security Forces camp at Al Jizah Governorate, to the effect that the conscription period would extend one more year. Some elements exploited these rumours to incite the soldiers in the camp, he added. A large number of soldiers took to the main road and were involved in many acts of violence and sabotage that resulted in the destruction of a large number of cars, the burning of hotels and tourist establishments in the nearby areas, he recounted. The riot spread to some other security police camps inthe neighboring areas and some groups armed with weapons and canons joined in the destruction of public shops and tourist establishments as well as transport means and they killed and wounded some security guards in these establishments, the president went on.

The president noted that the early hours of this morning witnessed similar sabotage in the governorates of Cairo, Al Jizah, al Qalyubiyah, Asyut, Sawhat and Ismailia which caused heavy damage to three big tourist hotels and the destruction of many public properties. The rioters stormed the Tura Prison in southern Cairo and they released some of the prisoners there, he said.

The president said that to confront these criminal acts it was necessary to clamp a curfew in Cairo and the related governorates and to assign to the Armed Forces the task of bringing the situation under control. He said, a large number of these elements that led the riots were apprehended and the general prosecution were conducting investigations. He declared that no foreign tourists were exposed to peril and the tourists in the areas of disturbances had been taken to hotels that were heavily guarded.

Mubarak declared: "The state cannot be merciful with those who masterminded these acts or with those who get involved in treason." The president assured all citizens that "such incidents cannot break through the firm home front as the awareness of the masses is capable of crushing these acts and confronting them with vigilance and strength."

Calm Restored

OW270102 Beijing XINHUA in English 0035 GMT 27 Feb 86

["Calmness Restored in Cairo (by Yu Yuanjian)" -- XINHUA headline]

[Text] Cairo, February 26 (XINHUA) -- Calmness has by large restored in greater Cairo, but a tense atmosphere still prevailed late tonight.

Sporadic shots were heard late this afternoon after the curfew was imposed on 16:00 local time in the city, but since sunset the city has been quiet. Few people were seen in the streets and some children were even spotted playing football in out-of-the-way lanes.

However, armoured carriers with soldiers holding machine guns and other weapons blocked the main crossroads and important buildings such as the premises of the prime minister, the People's Assembly, and the television and broadcasting centers. Traces of fighting between rioters and governmental armymen such as stones and burned cars were found in some areas. Newsmen who were allowed to pass through most crossroads were forbidden to enter the areas near the Pyramids and Ma'adi, from where the current security police riot started Tuesday night and spread today to the whole city and six other governorates.

More that 8,000 security policemen took part in the riot to protest a rumoured government decision to extend their conscription for one more year. About 1,000 university students in Cairo held demonstrations to support the security police this morning and some other anti-government elements also started to fight government troops. As this story is being filed, the government has announced all universities and schools closed pending for further notice but has not defined when the curfew will be lifted.

Curfew To Be Lifted 4 Hours

OW270146 Beijing XINHUA in English 0105 GMT 27 Feb 86

[Text] Cairo, February 26 (XINHUA) -- Curfew in the Egyptian capital of Cairo which started at 4:00 p.m. (14:00 GMT) will be lifted tomorrow from 10:00 a.m. to 2:00 p.m. (12:00 GMT) to help citizens get their needs, according to a MENA report tonight.

Meanwhile, permissions will be given to citizens whose work conditions necessitate to be outside doors during the curfew hours. It was announced here tonight to facilitate movement of the citizens. These permissions will be issued by police stations all over greater Cairo, the report said.

Opposition Condemns Sabotage

OW270436 Beinjing XINHUA in English 0205 GMT 27 Feb 86

[Text] Cairo, February 26 (XINHUA) -- Five major political opposition parties Wafd, the Socialist Labour Party, the Liberal Party, 'Ummah Party and the National Progressive Unionist Party tonight condemned the acts of sabotage which part of Central Security Forces committed in Greater Cairo last night and today.

Mumtaz al-Nasir, chairman of the Wafd parliamentary body said that public establishments belong to the people and such acts aggravate the economic difficulties. He added that demands should be made through the legitimate channels. His party opposes any act of sabotage.

Ibrahim al-Shukri, leader of the Socialist Labour Party, said whatever the motives of these incidents, there should have been no damage inflicted on the citizens and public and tourist establishments. Ahmad al-Sabahi, leader of 'Ummah Party, said his party is opposed to any acts of violence.

Muhammad al-Shafi'i, vice president of the Liberal Party, said such acts of violence will jeopardize Egypt's prestige abroad and hurt the tourist business.

## CUBAN COMPANY ORDERS THREE CONTAINER SHIPS

HK260601 Beijing ZHONGGUO XINWEN SHE in Chinese 1248 GMT 24 Feb 86

[Text] Shanghai, 24 FEbruary (ZHONGGUO XINWEN SHE) -- China has for the first time received orders from the Ocean Property Co. of Cuba for three 10,000-ton, multiple-purpose container ships, the building of all of which begins in Shanghai shipyard today.

The multiple-purpose container ships have apparatus for unloading containers and can hold 724 20-foot standard containers. If the unloading apparatus is removed, the ships can transport various goods and bulk cargoes. The main engine of the ship is the advanced 6,660-horsepower energy-saving diesel engine produced with imported technology by the shipyard. The ships can cruise at 15 nautical miles per hour. The ships' engine rooms are "unmanned engine rooms" with a high degree of automation. The ships can automatically move sideways, turn, dock, and undock, and incline when unloading cargo. The ships will also have much other new technology and equipment. The three ships will be built according to international technological standards.

According to the agreement between the two sides, the contract came into effect on 23 February. The first ship will be made available to the users 20 months after the contract came into effect, and the other two ships will be made available to the users at 4-monthly consecutive intervals after the first ship is delivered.

## MA WENRUI MEETS VISITORS FROM COSTA RICA

OW261206 Beijing XINHUA in English 1135 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- Ma Wenrui, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met Carlos Roversi, vice-chairman of the youth organization of the National Liberation Party of Costa Rica, and his wife here this afternoon.

Ma briefed the visitors on China's economic development. He hoped to see more contacts between youth organizations of the two countries. The couple arrived here Monday at the invitation of the All-China Youth Federation.

## COSTA RICA, CUBA CRITICIZE U.S. AID TO CONTRAS

OW261853 Beijing XINHUA in English 1437 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- The Costa Rican and Cuban Governments have charged that more U.S. military aid to Nicaraguan anti-government forces will only serve to aggravate the situation in Central America, according to reports today from San Jose and Havana.

Costa Rican President Oscar Arias Sanchez Monday reiterated his opposition to the Reagan administration's decision to help the anti-government Contra guerrillas and urged that the U.S. should halt such assistance. The Cuban foreign ministry Tuesday released a statement calling for worldwide emergency mobilization against the U.S. move. The U.S. aid, the statement charged, could result in heavy losses of both life and property in the country and also worsen the regional crisis and bring dialogues on the Central American issue to a standstill.

The U.S. Government has persuaded Congress to provide 100 million U.S. dollars in aid to the Nicaraguan Contras, most of which will be used for new arms, the statement said.

ECONOMIC CONSTRUCTION AND LEGAL SYSTEM VIEWED

HK262255 Beijing LIAOWANG in Chinese No 7, 17 Feb 86 p 4

[Commentator's article: "The Legal System and Construction"]

[Text] Our country has made great achievements in economic construction and in reforming the economic structure; the situation is gratifying. This is generally acknowledged all over the world. At present, energetically grasping the legal system has become a pressing task when we are enhancing continuous development in construction and reform. If we do not energetically grasp the legal system, we shall not be able to ensure the smooth progress of socialist construction and reform. It is imperative to grasp construction with one hand and to grasp the legal system with the other in the course of attaining our magnificent goals. We should not grasp one and ignore the other. This is a long-term policy of our party and government.

Since the 3d Plenary Session of the 11th CPC Central Committee, the building of the legal system has attracted increasingly greater attention. New laws and regulations have been promulgated one after another. The NPC and departments concerned are accelerating the progress in perfecting the legal system.

At present, the most important thing in strengthening the legal system is to observe and enforce the existing laws, decrees, and regulations. A few individuals and departments, even certain leading cadres and leading organs, have violated state laws and party discipline, engaging in unhealthy trends, seriously infringing upon the interests of the state and the people, and undermining the construction and reform. If this situation is not corrected in good time and if such practices are allowed to spread unchecked, corruption, thievery, and bribery will run rampant, the common practice of the whole society will deteriorate, the consequences will be dreadful to contemplate, and the bright prospects of socialism will burst like a bubble. This cannot but demand the serious attention of the people.

We should mainly grasp two aspects of the legal system: One is to continue to perfect the laws and regulations and to conduct education on the legal system among all citizens so that each is conscious of the laws, understands them, and enforces them; and the other, a more important aspect, is to punish those who have violated party discipline and state laws and to seriously investigate and handle major and important cases. There is a saying concerning how to safeguard the solemnity of the legal system: "There should be laws for people to go by; all laws are binding; all laws should be strictly enforced; and those who have violated the laws should be investigated and legal responsibility should be affixed to them." The last two points are particularly important at present. If laws are not strictly enforced and if lawbreakers are not investigated and punished, laws and regulations will become useless.

Comrade Deng Xiaoping said: "All citizens are equal before the law and regulations, and all party members are equal before the party Constitution and party discipline. Everybody has equal rights and duties as stipulated by law. No one should gain extra advantages by unfair means, and no one should break the law. Anyone who has violated the law, no matter who he is, should be investigated by public security departments according to the law and handled by judicial departments according to the law. No one is permitted to interfere with the enforcement of laws, and no lawbreaker should be allowed to go free. No one should violate the party Constitution or party discipline. Any violator, no matter who he is, should be disciplined, and no one is allowed to interfere with the enforcement of party discipline. No violator of party discipline should be allowed to go unpunished." He has clarified everything.

At present, the central authorities have demanded that central organs and their cadres should take the lead in rectifying party style and in strengthening the legal system and that cases of central organs violating the laws and discipline should be investigated and handled first. This has been stated in the following guideline: No matter what meritorious deeds you have done, no matter how capable you may be, and no matter what senior post you may hold, you will be punished strictly according to the law and party discipline once you have violated them. We should not be indulgent toward violators. What they have done should be exposed without sparing anyone's sensibilities, and the idea of "not to be taken as a precedent" is not applicable.

The ancient scholar Han Fei said: "Laws should show no partiality toward officials and regulations should not be distorted. No wise or brave people should challenge the authority of the law." "Wise officials and capable people are all equal before the law." He also said: "If all laws are properly enforced against crimes, social order will be good and the country will be run well." What he meant is that everybody is equal before the law and that all lawbreakers should be strictly punished according to the law before the legal system can be effective and the country can become stable, united, and prosperous. This has been proved by the experience of Chinese history. The more than 30 years experience of New China has shown us that the legal system is linked with the destiny of the country. During the period when the party's guiding ideology is correct and the legal system is safeguarded and implemented, the country will enjoy a stable and unified political situation and its economic construction will develop smoothly. During the 10 years of turmoil of the "Cultural Revolution," the legal system was damaged and abandoned and the country was in a state of turbulence, the people suffered, and economic construction was most seriously damaged.

The legal system includes party regulations and disciplines as well as state laws. The state has laws and the party has regulations and discipline. Party discipline and state laws are legal stipulations. The party Constitution is the most fundamental party discipline and regulations. All members of the party, the ruling party of China, should pay attention to the building of the legal system and should set an example in observing and enforcing laws.

The legal system is a guarantee for the socialist democracy of the people. By systematizing and legalizing inner-party democracy and the democracy of the state's political and social life, we can greatly develop the people's democracy of our country. Comrade Deng Xiaoping said: "There will be no socialism or socialist modernization without democracy." The strengthening of the legal system will certainly ensure that the people of our country will be able to better exercise their democratic rights and that the 1 billion people will vigorously plunge themselves in the building of the socialist material modernization and spiritual modernization.

If we grasp construction with one hand and grasp the legal system with the other, the revitalization and rise of the Chinese nation, like a winged tiger, will be better ensured.

## JINGJI RIBAO URGES OVERCOMING LIBERALISM

HK262048 Beijing JINGJI RIBAO in Chinese 21 Feb 86 p 1

[Editorial: "Resolutely Overcome Liberalism in the Political Field"]

[Text] At present, some leading organs are not strictly enforcing party discipline. As a result, liberalism has emerged and spread widely in the political field. This should be brought to our serious attention.

Recently, at a meeting of cadres of the central organs, a leading comrade of the central authorities pointed out: The main expression of liberalism in the political field at the present stage is that "some people do not study and implement the party's policies and principles and have turned a deaf ear to criticism and advice from party organizations. When they have complaints, they do not pour them out through normal channels, but just talk about them with other people regardless of who they are. They even spread grievances against and find fault with the party's line, policies, and principles. The essence of this practice of a very few is to advocate bourgeois liberalism. Some people are fond of hearing and spreading hearsay, stirring up troubles, and spreading rumors and slander. They most easily believe and spread malign and slanderous rumors." We must resolutely oppose and conscientiously overcome this kind of unhealthy tendency, which is extremely harmful.

In the eyes of some comrades, in order to achieve our purpose of straightening out party style and solving our problems, we have to do more than correct the errors of some people who have taken advantage of their power to seek private gains and deal with some cases of violating the law and discipline in the economic field. They regard the irresponsible political gossips and the phenomenon that there are "rumors and hearsay" everywhere as "trivial matters." Therefore, they do not feel angry with those people who have committed liberalism in the political field and do not expose and criticize them. Some have even chimed in with them. Obviously, their attitude and practice are extremely wrong. The people detest the unhealthy tendency of taking advantage of one's power to seek private gains and the violations of the law and discipline in the economic field, and the party organization and leading organs are making great efforts to deal with relevant cases and the people involved. All this is entirely correct. No matter who is involved, it is necessary to deal with the cases resolutely and firmly so that law and discipline may be enhanced. At the same time, it is also necessary to take resolute measures to check liberalism in the political field. We must not underestimate the great significance of checking this unhealthy tendency. As a matter of fact, in the areas and departments where liberalism has emerged and spread, there has already been a malignant influence on the strengthening of party unity on the basis of adhering to the Marxist line, on maintaining and developing the political situation of stability and unity, on promoting the socialist modernization drive and various reforms, and on striving for a fundamental improvement in party style as soon as possible. Liberalism is by no means less harmful than the error of taking advantage of one's power to seek private gains in economic and other fields, errors committed by a small number of people. How can a party organization with high combat effectiveness, a loyal member or cadre of the Communist Party ignore, tolerate, and give up struggle against such an unhealthy tendency, so seriously damaging to the interests of the party and the people?

With our efforts to overcome liberalism in the political field stifle criticism and suggestions and stop people from freely airing views? No. On the contrary, it will help further perfect our inner-party political life and develop socialist democracy. Since the 3d Plenary Session of the 11th CPC Central Committee, under the leadership of this committee, the whole party has taken resolute measures to eliminate "leftist" influence, encouraged people to emancipate their minds and to seek truth from facts, and endeavored to resume and perfect normal inner-party political life. As a result, the broad masses of party members and cadres have regained their democratic rights, lost for many years, and the political situation in which we have both centralism and democracy, both discipline and freedom, both unity of will and personal ease of mind and liveliness has reappeared again. This great progress in inner-party life can be seen by all. However, liberalism in the political field, which goes against the four basic principles and weakens organizational discipline, has nothing in common with inner-party democracy.

According to our party Constitution, all party members and cadres have the right to air different view about the drafting and implementation of the party's policies and principles within a certain range and in accordance with certain procedures. They can offer their criticisms on the work of party organizations and individuals. But under no circumstances are they allowed to run counter to the principle of democratic centralism and the guiding principles for inner-party political life and to do and say whatever they like; under no circumstances are they allowed to talk about democracy without centralism and personal freedom of speech without the party's unity of will and to randomly make remarks against the party's program, line, policies, and principles. If we do not stay within the bounds of this discipline and allow a small number of people to randomly make remarks and irresponsibily spread rumors or even to do whatever they like in order to air their grievances, there will inevitably be ideological confusion among the masses and the freedom of most people to fully air their views in accordance with the party's political and organizational principles will cettainly be destroyed. Thus, inner-party democracy will be fundamentally sabotaged. Therefore, in order to really maintain and develop inner-party democracy regained after the 3d Plenary Session of the 11th CPC Central Committee, it is necessary to resolutely overcome liberalism in the political field and help the comrades who have this bad habit to rid themselves of political frivolousness so that they can enhance their sense of party spirit and conscientiously keep themselves within the bounds of organizational discipline and can become loyal fighters in studying and implementing the party's policies and principles.

Some comrades are not conscious that they have committed liberalism in the political field. Instead, they think that they are openhearted and above board. This is another example of confusing right and wrong. Of course, Communist Party members should be honest and openhearted. They should not conceal their political views but should say all they know to the party and say it without reserve. However, in no case does this mean that a party member can randomly air views against the party's line, policies, and principles without considering the surrounding circumstances, still less does it mean that he can stick to a wrong stand and make random comments on or spread suspicion against the party's policies and principles. "Say whatever is on one's mind" means one should be openhearted and say everything to the party and should be honest with his comrades. However, in political life, no one is allowed to "say whatever is on one's mind" in disregard of principles, or to make irresponsible and random comments. One should not say anything against the party's basic political stand and its policies and principles or anything that may undermine inner-party unity. This is the right way to obey the centralism and unity of the party and to maintain the party's political discipline and organizational discipline. Obviously, the comrades who have committed liberalism in the political field do not understand this. Their "honesty" or "saying whatever is on their minds" is actually an excuse for spreading groundless hearsay. Some of them have even divulged party and state secrets to their friends and relatives, resulting in serious leaks of secrets and violating party discipline and state laws. We should maintain sharp vigilance against this.

What efforts should we make at present in order to effectively overcome liberalism in the political field, which has been committed by a number of people? First, it is necessary to educate the cadres at various levels, especially the leading cadres, to strengthen their sense of responsibility to the party and their political sense of responsibility, so that they can unconditionally maintain unanimity with the party in ideological and political matters. Second, it is necessary to demand that leading organs at all levels take the lead in perfecting inner-party political life. On the one hand, it is necessary to further develop inner-party democracy so that the party members can fully air their views through normal channels. On the other, it is necessary to run the party strictly and strengthen political guidance in inner-party life. Without effective political guidance, there will be no vigor and vitality in organization life.

All party members and cadres, either ordinary working personnel or high-ranking leading cadres, should participate in organizational activities as scheduled and accept the party's supervision. It is necessary to conscientiously carry out criticism and self-criticism in organizational activities so as to help those comrades who have committed liberalism overcome their shortcomings and correct their mistakes, and to strengthen the solidarity and unity of the party. Third, it is necessary to enforce discipline seriously. All those who have pursued bourgeois liberalization or have encouraged other people to pursue bourgeois liberalization and who have violated party discipline and state laws should be investigated and dealt with seriously. This is also a kind of education, which will make those with no scruples in pursuing liberalism in the political field come to realize their mistakes and make more comrades learn from their lessons, becoming good party members and cadres who conscientiously observe principles and discipline.

## FAIRNESS URGED IN GROWTH OF WAGES, BONUSES

HK260921 Beijing LIAOWANG in Chinese No 6, 10 Feb 86 pp 6, 7

[Article by Yu Youhai: "Do Not Compete With One Another For More Wages and Bonuses"]

[Text] It is quite natural that people always make comparisons about certain aspects of their daily life. There are many forms of comparison. Comparison with each other in regard to contributions and progress can inspire people to advance boldly. There are, however, other forms of comparison. For example, at present, many people and many units are constantly comparing the amount of wages and bonuses the other gets. This comparison, as a major factor contribution to the inflation of consumption funds, must be dealt with seriously.

Some comrades always like to compare our country's wage level with that of developed countries, and envy these countries for their high wage levels. Therefore, they are always unsatisfied even though their wages have increased considerably. Such a comparision is completely divorced from our national situation. Our country has a large population and a high employment rate. There are more than 110 million wage earners in our country, but our labor productivity is relatively low. This basic fact of a high employment rate and low efficiency determines that we have to accordingly follow a low wage system in our country; in other words, the wage level cannot be raised too high. If we ignore our national situation and rashly raise wages to a very high level, we will fail in our effort or we will manage to do it at the expense of national construction. In the latter case, people may benefit from the wages hikes for a while, but in the long term, due to a lack of funds, the state will be restricted in initiating new construction projects, and it will be hard to promote production. As the economy will fail to develop rapidly, we will lose material conditions for further wage increases and the inflated wage level will possible be kept down once again. This has happened before. Some developing countries raised their wage levels in the process of industrialization; the high wage level has turned out to be a heavy burden on them in their efforts for economic development. This is a profound lesson. If we ignore the actual circumstances in our country and excessively raise wage levels too soon, the production costs of our products will increase and our products' competitive power will be weakened on international markets. As a result, we will lose the favorable conditions we currently enjoy, and the economy as a whole might shrink.

Other comrades like to compare their own wage level with that of other enterprises or trades. They do not try to discern through analysis why some enterprises and trades have a higher wage level. Their idea is that their wage level should not be lower than that of others; theirs must be raised whenever others' is raised. Even those enterprises and trades which make low profits, make no profits, or suffer losses always emulate others in raising their wage levels.

Even if short of funds, they would rather misappropriate production development funds or the circulating funds allocated for production in order to raise their wage level. This practice is no different from killing the goose that lays the golden eggs. If they continue to do so, they will neither be able to realize extended reproduction nor carry on simple reproduction. As a result, there will be no way to maintain high wages and high bonuses. Moreover, competition between different enterprises and between different trades will inevitably lead to egalitarianism and the practice of "eating from the same big pot." As such competition is unfavorable to stability and unity, it will inevitably undermine our efforts to build the four modernizations.

Staff members of some enterprises like to compare their wage level with that of party and government organizations. Last year a wage reform was introduced in party and government organizations and non-profit making service units, and the wages of cadres working with these organizations consequently increased. Staff members of some enterprises thought it was unfair to them since their wages were not raised along with those of cadres. Here we can prove their argument wrong by citing only facts without referring to the distinction between mental and manual labor. Last year, although wages of the staff members of government organizations and non-profit service units were adjusted, their per capita wage income and its growth rate were still lower than enterprise staff average wage level and its growth rate. Take the growth in the average wage income during the period from 1978 to 1985 as an example: The annual per capita wage income for staff members of units under ownership by the whole people increased from 644 yuan to 1,239 yuan, an increase of 92 percent; that for staff members of government organizations increased from 662 yuan to 1,173 yuan, an increase of 77 percent. The state is conducting an in-depth survey and making necessary preparations for the introduction of wage reform in enterprises. The argument that enterprise staff members have been at a disadvantage in the wage reform as compared with cadres is completely groundless. Perhaps some enterprise staff members are unaware of the actual situation. It is necessary to explain the truth to them.

In asking people not to blindly compete with each other for more wages and bonuses, we do not mean that the current wage system in China is so reasonable and perfect that no more improvement is needed. We definitely do not mean this. Today there is still inequality among the members of our society in terms of their living standards, and there is a great disparity in revenue between different enterprises and between different trades due to varying external conditions and unequal opportunities. The party and the government have noticed these problems and are trying to find a solution. The existence of these problems does not, however, support the claim for equivalent pay raises.

If one calmly thinks it over, one easily finds that the growth rate in workers and staff members wages in China has been high enough since the 3d Plenary Session of the 11th CPC Central Committee. In a number of years, wage growth rate even exceeded the national economy growth rate. Such a high growth rate, with the purpose of compensating for an unreasonably low growth rate in previous years, cannot be maintained all along in the future. The policy of distribution according to work we are currently practicing is aimed at overcoming egalitarianism and acknowledging disparity in remuneration while avoiding excessively great disparity. Slightly higher wage levels for advanced enterprises are reasonable. But these advanced enterprises should give appropriate consideration to other enterprises, and backward enterprises and trades must emulate advanced ones in regard to business management, product quality, material consumption, economic results, and social benefits, and must try to scale new heights. One must pay attention to raising production output and revenue, tapping more financial resources, and doing one's best to make the greatest contributions possible. Once the economy is developed and ample financial resources are at the disposal of the state, the vast number of workers and staff members will certainly have their wages raised and thus get rich step by step and group by group.

## GUANGMING RIBAO ON LAYOUT OF PRODUCTIVE FORCES

Part One

HK270357 Beijing GUANGMING RIBAO in Chinese 8 Feb 86 p 3

[Article by Chen Dongsheng: "The Layout of China's Productive Forces in the Period Leading Up to the Year 2000" -- Part One]

[Text] In line with fundamental guidelines proposed in connection with the CPC Central Committee's proposal on the formulation of the Seventh 5-Year Plan, we must analyze general trends in the distribution of our country's existing productive forces, study strategic policies concerning the layout of productive forces, and work out a blueprint for the layout of productive forces with Chinese characteristics. This is a matter that carries not only real but profound and far-reaching significance.

### I. The Significance of the Layout of Productive Forces

The layout of productive forces is a strategic question of long-term nature, bearing on the whole situation in the socialist economy. It involves economic, political, national defense, social, environmental, ecological, and many other aspects. It plays a guiding role in studying and formulating strategies for social and economic development in various areas. A rational layout can bring returns for as long as a century. An incorrect layout can have harmful effects which may also last for an entire century.

### II. General Trends in the Layout of Existing Productive Forces

1. Judged from the level of regional economic and technical development, there objectively exist three major economic zones, east, central, and west. Based on per capita industrial and agricultural output value, the ratio between the three zones is approximately 1:0.52:0.5. Based on per capita industrial output value, the ratio is about 1:0.45:0.25. The levels of economic results in production and construction also show zonal differences. As far as existing fixed assets, basic facilities, and intellectual, technical, economic management, information, and other soft resources are concerned, on the whole the east does well and the west does badly, with a gradual decline from east to west. As far as mineral, hydropower, land, and other natural resources are concerned, on the whole, the west is rich and the east is poor, with a gradual increase from east to west. There appear two opposite gradients.

2. As far as the relations between given points and wide areas are concerned, more than 320 cities have two-thirds of the country's fixed assets in the industrial fields, providing more than three-fourths of industrial output value and four-fifths of revenue. Given each city as the center, the level of economic development in surrounding areas generally declines in proportion to geographical distances where communications and transportation facilities are concerned. The density of urban distribution also gradually thins from east to west. As far as differences between the levels of economic development in cities and surrounding areas are concerned, the north shows greater differences than the south and the west even greater differences than the east. An analysis of different conditions of economic development shows that there are similarly two opposite gradients where given points and wide areas are concerned.

3. We must widely promote economic and technical cooperation that cuts across areas, tap the full economic potential in gradient differences, achieve the aim of enabling things of a different nature to make up for what is lacking in each other, bring comprehensive superiority into being, and stimulate the extensive development of productive forces. This is an important way to accelerate the development of the national economy and to put layout on a rational basis.

III. The Principle Governing the Layout of Productive Forces

1. We must recognize and consciously apply objective laws relating to uneven regional economic development. Through uneven development of priorities over a given period of time and an orderly shift in emphasis in regional construction, we must gradually create a relative balance in layout in raising the overall level of national economic development. The realization of a balance in layout must have the improvement of an existing economic center as a starting point and as a foundation in extending layout to a new area. This is to enable the existing economic center to merge with the newly developed area, with the process of development proceeding at the same time or on an alternating basis.

2. In line with the objective laws governing the regional division of social labor, we must cooperate in regional division of work. We must make the fullest use of absolute benefits and relative benefits derived from the regional division of work, reach out for what is beneficial and steer clear of what is harmful, draw on our strengths, and overcome our weaknesses. On the basis of exploiting superior regional features, we must develop mainstay industries. Focusing on mainstay industries, we must develop facilities related to industries and their fundamental structure and form highly efficient regional economic complexes which have their own features and which complement each other. We must break thoroughly with the conventional practice of a region insulating itself as a separate system, and get rid of unnecessary overlapping points in layout. This is a road that must be followed in improving national economic results.

3. In keeping with the laws governing improvement in social labor productivity, and on the basis of differing natural and economic characteristics and technological features of various products and their raw materials, and the makup of total costs for product conversion, we must give various relevant industries priority in choosing areas that best suit their own development. Agricultural products, minerals, and other products in the initial stages of processing that involve heavy losses of raw materials should be laid out near the raw material-producing areas. Products which involve slight losses of raw materials in processing, which do not lend themselves to easy transportation in their finished state, or which are of numerous varieties and required to meet frequently changing market needs, should be arranged near where the consumers are. Industries consuming a large amount of energy should be located near large-sized hydropower and thermal power stations and other sources of cheap electricity. High-technology products should be arranged near intelligence-intensive cities with proper conditions for cooperation.

4. In line with fundamental socialist economic laws and the demands of the laws of ecology, we must define the appropriate sizes of economic bases and towns. Industries should not be overconcentrated, nor should they be spread out too widely. This is to help production, give life every convenience, and provide environmental protection. On the whole, we must help in forming national and regional multilevel economic centers and, through comprehensive transportation networks, information networks, and circulation systems, enable various economic centers to stay in close touch with the large number of rural areas, bringing into being a national economic whole with a free flow of information and flexibility in operation.

5. With politics and national security taken into full consideration, we must enable the economic layout to help in accelerating economic development in time of peace and be capable of standing the test in time of war and effectively withstanding surprise attacks launched against us by hostile forces.

IV. The Layout of Productivity at Three Levels and Their Tasks

1. The tasks related to macrolayout are as follows: A) We must define economic zones and major economic areas, correctly select areas for priority construction during a given period of time, properly handle the relations between priority construction areas and nonpriority areas, and make proper arrangements for transferring and linking up where areas fixed for priority construction in different periods of time are concerned. B) We must define the orientation of various industrial sectors in the overall national layout. C) We must set the framework for the national transportation and electricity networks and the direction for the development of major industrial zones.

2. The task related to layout in between macrolevels and microlevels is to formulate strategies for regional economic development, with regional conditions and features in mind, given the realization of the main goal for national economic construction as the center.

3. The tasks related to microlayout are: We must arrange the layout of various facilities for production and life and facilities for the protection of nature in towns and villages. We must rationally choose the sites of factories and set the trend in the use of rural land and other resources and in the arrangement of crops.

V. The Delineation of Three Major Economic Zones: East, Central and West

1. The principle of delineation should be as follows: With emphasis on the existing levels of economic and technical development, we must, in the matter of delineation, give consideration to the recent momentum of development and pay simultaneous attention to administrative zoning and geographical position.

2. The east zone covers 11 provinces, municipalities, and autonomous regions -- Liaoning, Hebei, Tianjin, Beijing, Shandong, Jiangsu, Shanghai, Zhejiang, Fujian, Guangdong, and Guangxi.

3. The central zone covers 10 provinces (regions) -- Heilongjiang, Jilin, Nei Monggol, Shanxi, Anhui, Jiangxi, Hunan, Hubei, Henan, and Shaanxi -- and the central and eastern parts of Sichuan.

4. The west zone covers seven provinces (regions) -- Xinjian, Xizang, Ningxia, Gansu, Qinghai, Guizhou, and Yunnan -- and the western part of Sichuan.

Part Two

HK270401 Beijing GUANGMING RIBAO in Chinese 15 Feb 86 p 3

[Article by Chen Dongsheng: "The Layout of China's Productive Forces in the Period Leading Up to the Year 2000" -- Part Two]

[Text] VI. Regional Construction Priorities and Arrangements for Scheduling

1. With an eye to the national economy as a whole and in line with the strategic move of taking two separate steps over 20 years, national construction priorities in the period of the Seventh 5-Year Plan and the Eighth 5-Year Plan should be reserved for areas in the following two categories: A) The coastal area in the east zone; B) Areas set for construction in the central zone where several large-sized energy and raw materials bases are concentrated. This is of great importance in speeding the solution of the three problems of energy, funds, and technology that restrain the overall development of the national economy. It also plays an important part in guaranteeing smooth entry into a new period of economic revitalization in the 1990's.

2. Beginning in the mid-1990's, the central zone will gradually become a focal point of construction. Apart from continued efforts to take good care of energy bases, the Wuhu-Jiujiang-Wuhan-Yichang-Chongqing industrial zone along the Chang Jiang and the Lianyungang-Xizhou-Zhengzhou-Xian-Lanzhou industrial zone along the Longhai railroad will be further consolidated and strengthened to become a bridgehead in support of large-scale development in the west.

3. With the beginning of the 21st century, the emphasis on construction will shift to the southwest and the northwest with the realization of the CPC Central Committee's great idea of turning Guizhou, Yunnan, Sichuan, Xinjiang, Qinghai, and so forth into important economic bases.

4. The above projected layout is based on the national economy as a whole. Conditions vary with various industrial sectors. There must naturally be differences. For example, industries consuming large amounts of energy should, starting from now, shift over at an accelerated pace to the central and western areas with rich energy resources.

5. While the state is concentrating budgetary funds on carrying out priority construction, given control of the level of investment in fixed assets as a prerequisite, all areas should be allowed to rely on their own financial resources, or funds from outside a given area or from abroad, to carry out various construction projects that make for the overall growth of the local economy.

VII. The Strategy for Regional Economic Development in Three Major Zones

1. The East Zone -- We must develop favorable conditions that allow the tapping of relatively plentiful economic and technical resources and help economic and technical cooperation with foreign countries. We must "combine the introduction of advanced technology from abroad with domestic efforts to join forces in getting things done." Through adopting advanced technology from abroad, we must reform traditional industries and develop new industries, so that the old industrial bases can again be alive with youthful buoyancy.

To suit the transformation of an internally oriented economy in the direction of a combination of internally oriented and externally oriented types, we should readjust the industrial structure, the mix of products, and the composition of the sources of raw and other materials, and emphasize on developing technology- and knowledge-intensive industries. Focusing on an effort to increase competitiveness in export trade, we must energetically develop high-grade, precision, and advanced industrial products and also information and consulting services and other tertiary industries. In future, except for cases involving the use of specially available resources and resources from abroad, we should no longer undertake projects involving high consumption of energy and raw materials and large amounts of transportation. Existing industries involving heavy consumption of energy must gradually move over to the central and western areas. In a number of major cities inadequately supplied with water, the development of industries calling for heavy consumption of water must be strictly controlled.

In accomplishing the great task of quadrupling output, the eastern zone must bear the brunt and also play a role in "passing on experiences." The aim is to turn it into a base for developing new industries and traditional industries and for the use of new technologies to upgrade products, a base for training and providing advanced technical and management personnel for the whole country, and a main base for providing the country with consulting services, advanced technologies, and high-class consumer goods, and for earning foreign exchange from exports.

2. The Central Zone -- We must concentrate strategic action on the following four fields: A) The development and construction efforts related to energy (coal in the north and rivers in the south). B) The tapping of various metallic and nonmetallic deposits and the development of relevant raw materials industries. C) The development of certain new industries in existing large and medium-sized cities which are relatively solidly established industrially and have concentrated scientific and technical forces, and the technical transformation of conventional industries. D) The tapping of rich resources in agriculture, animal husbandry, and fishing and the development of appropriate processing industries and fodder industries; Meanwhile, attention must be paid to the development of given areas with concentrated defense industrial production and scientific research forces. Through cooperation between the military and civilians, the transfer of military techniques to civil industries must be speeded up. This is an important way to fully develop the role of existing massive industrial bases in raising technical and management levels and improving economic results.

3. The West Zone -- We must give full play to the superior features of existing industries and focus on tapping resources urgently needed by the state. We must properly combine necessary production and construction at the present stage with preliminary work preparatory to future large-scale development, strengthen the surveying and exploration of resources, and improve communications and transportation conditions. We must give full play to the superior features of agriculture, animal husbandry, and the fruit industry and energetically develop appropriate processing industries. We must expand border trade in a steady manner. We must energetically grow trees and grass, pay attention to environmental protection, and guard against ecological deterioration.

## DONGGUAN CITY TRANSPORTATION PROMOTION PRAISED

HK260941 Beijing RENMIN RIBAO in Chinese 23 Feb 86 p 2

[Report by Li Kefu: "Guangdong's Dongguan City Paves Roads and Builds Bridges To Promote Transportation"]

[Excerpts] Guangdong Province's Dongguan City has attached importance to satisfactorily grasping the construction of transportation facilities; concentrated its labor, material, and financial resources on paving roads and building bridges; and thus established a communications and transport network linked by highways, waterways, and railways. Road and waterway transport is avilable to 90 percent of districts and town in the area. The development of communications and transport has promoted the circulation of commodities, advanced the readjustment of the rural production and labor composition, increased peasants' income, and thus made it possible to have even greater input in the further development of communications and transport undertakings. This benign cycle has enlivened the economy of the whole city.

The convenient communications facilitates the smooth transportation of both cargo and passengers. Last year, the total volume of cargo transport in the whole city was about 4 million metric tons, nearly 30 percent more than the year before. The total volume of passenger transport was over 12 million passengers, 35 percent more than the year before.

As the circulation of goods is unblocked, the peasants there have conscientiously readjusted the structure of their farming and animal breeding, and have had a free hand in developing the production of fresh and live commodities, earning a great income in foreign exchange. The city's output of sugarcane, vegetables, pigs, and fruit has risen sharply. Dongguan is the well-known hometown of Overseas Chinese. As it has convenient communications facilities, its investment environment has improved and thus attracted a large number of foreign businessmen to the city to make investments and carry out cooperative activities. Now the number of enterprises that process foreign goods, that carry out compensation trade, and that use joint Chinese and foreign capital or Chinese and foreign cooperation, already exceeds 1,650. The income from contracted processing of foreign goods alone was about $65 million last year.

Last year, the per capita income of the rural population in Dongguan City already exceeded 700 yuan. When they are discussing the implementation of the CPC Central Committee's 1986 Document No 1, the peasants who have benefited by the development of communications vied with one another to express the view that they will continue to increase their investment in communications and transport, lengthen their roads, improve the surfaces of their roads, increase their vehicles and boats, and thus further enliven their circulation.

Commentator's Article

HK260951 Beijing RENMIN RIBAO in Chinese 23 Feb 86 p 2

[Commentator's article: "Strive To Improve Conditions for Circulation"]

[Text] A pressing problem in our current rural economic development is blocked circulation. Over the past few years, both central and local authorities have adopted a series of policies and measures to relax the control over and enliven our economy; persisted in carrying out brave reforms in our circulation, price, and taxation systems, and other spheres; and scored heartening achievements. However, these reforms are merely a beginning. In the circulation sphere, there are still many phenomena not suited to the demands of commodity production. As the rural commodity economy develops, the volume of the circulation of goods has risen sharply, but our conditions for circulation such as warehouse storage capacity, communications, post and telecommunications facilities, purchase and marketing networks, and the facilities to train corresponding specialized administrative and managerial personnel are all very insufficient. This is an important cause of the "jam" in rural circulation of commodities. The comrades doing rural work and the departments concerned should soundly and satisfactorily grasp the work of improving the conditions for circulation. This has become an important part of the task of providing socialized services for the development of rural commodity economy.

Production and circulation are two interdependent links in our commodity economy that promote each other. Where importance is attached to improving conditions for circulation, there is a relatively enlivened commodity economy. For example, Guangdong Province's Dongguan City has paid attention to satisfactorily grasping the paving of roads and building of bridges in the past few years and has thus promoted circulation with communications and enlivened its economy.

There are indeed many difficulties when improving circulation conditions. No matter which we improve -- warehouses, communications, or post and telecommunications -- it is necessary to invest a relatively great amount of funds, materials, and labor resources. At present, in addition to aid from the state, we rely especially on tapping the potential among the people. Our peasants' initiative in improving conditions for circulation is rising day by day. As long as we are good at rousing this initiative and organizing the peasants, we will be able to overcome many difficulties.

Dongguan City has raised 78 million yuan in funds in several years precisely by relying on the strength of the masses. They have built 17 bridges and over 200 kilometers of roads and purchased a large number of automobiles and motor boats. From this we can see that "the flames burn high when everybody brings wood to the fire." Taking from the people to help the people is an effective way to improve our conditions for circulation.

Generally speaking, improving conditions for rural commodity circulation is a great task of engineering in which there are projects related to networks and affecting the whole situation, as well as partial and scattered projects. Therefore, we must do a good job of macrocoordination. The departments concerned should give more help in formulating plans and giving technological guidance. They should also pay attention to actual results and to the principle of acting in accordance with our capabilities, prevent starting projects blindly and in a rush, a practice which may later give rise to projects remaining unfinished for a long time, thus wasting people's labor and financial resources.

## ECONOMIC ACHIEVEMENTS OF PAST PLANS REVIEWED

HK241135 Beijing BAN YUE TAN in Chinese No 3, 10 Feb 86 pp 4-6

[Commentator's article: "How To Look at the Current Economic Situation"]

[Text] In one of his speeches Comrade Hu Yaobang pointed out: How to observe the situation constitutes a major branch of learning in Marxism. Only by correctly observing the situation is it possible to correctly determine our struggle's orientation, principles, and policies. In other words, correct formulation of the party's line, principles, and policies depends to a large extent on a correct analysis of the situation.

How should we look at the current economic situation in our country? Since the beginning of last year, the central leading comrades have dealt with this question on numerous occasions. It can be summed up in three sentences: The first is that the 7 years since the 3d Plenary Session of the 11th CPC Central Committee have comprised one of the best and most crucial periods since the founding of the PRC; the second is that the national economy has developed in a steady, stable, and balanced way and that the task of striving for a fundamental turn for the better in the state financial and economic situation has been basically fulfilled; and the third is that we have begun to find a way to build socialism with Chinese characteristics. The three sentences link an analysis of the situation with the party's line, principles, and policies and, from the situation as a whole, bring to light the general trend of China's economic development, thus instilling confidence in people and encouraging them.

The four outstanding features of China's economic development in the Sixth 5-Year Plan period are as follows:

First, the national economy developed in a balanced, stable, and coordinated way. An important criterion for judging an economic situation is to see whether the economic growth rate is appropriate and whether proportional relations are harmonious. Viewed from the growth rate, we have adhered to the principle of seeking truth from facts and advancing steadily. Our growth rate has been stable, and our situation is better year by year. The previous situation, characterized by great fluctuation, has changed. It can be said that we have brought to an end the history of repeated reversals in previous economic development caused by the practice of unduly seeking unrealistically high targets.

In the Sixth 5-Year Plan period, the total social output value, the gross value of industrial and agricultural production, and the national income increased at an average of about 10 percent annually.

With the exception of the First 5-Year Plan period, we never experienced such a situation of steady increase before the 3d Plenary Session of the 11th CPC Central Committee.

Viewed from the proportional relations, since the 3d Plenary Session of the 11th CPC Central Committee, we have conscientiously carried out the principle of "readjusting, restructuring, consolidating, and improving" and taken a series of measures to develop agriculture, to speed the development of textile and other light industries, and to conspicuously step up the production of coal, oil, and energy and the building of transport facilities and the building materials industry, thus changing a long-standing and serious imbalance between the different branches of the national economy. Now, agriculture, light industry, and heavy industry respectively account for about one-third of the gross value of industrial production. These proportional relations basically suit the current development level of the Chinese economy.

Second, industrial output value, national income, and financial revenue have risen simultaneously. That is to say, our country's economic development has shifted onto the path of stressing better economic results. This represents a measure of fundamental importance, setting right our guiding thinking in economic work in the wake of a switch in the focus of the party's work.

Before the 3d Plenary Session of the 11th CPC Central Committee, China's economic growth rate was quite high but its economic results were unsatisfactory. The increase in the country's economic strength and the improvement in the people's living standares was not commensurate with the work done by the people. At that time, China followed a path of high growth but poor economic results. In practical work, we often paid attention only to output and outputt value, without attaching importance to product quality and social demand. As a result, "industry reported the good news, commerce reported the bad, warehouses were overstocked with goods, and economic departments claimed false revenue."

After the 3d Plenary Session of the 11th CPC Central Committee, we first concentrated on solving the question of product marketability in order to simultaneously increase industrial production of unsaleable goods; later, we concentrated on turning deficits into profits and implementing a management system aimed at making up deficits and a system of personal responsibility in order to simultaneously increase industrial production, profits, and taxes. In the past 2 years, in an attempt to effect, as quickly as possible, a fundamental turn for the better in the state financial and economic situation, we have again taken as our objective the simultaneous development of industrial production, profits and taxes, and state revenue. In the Sixth 5-Year Plan period, industrial output rose at an average of 10.6 percent, and financial revenue at 10.3 percent, all simultaneously. Economic results improved markedly.

Practice has proven that concentrating on the attainment of better economic results is the objective of persisting in socialist production. It enables the masses to acquire more practical profit on the basis of increased state revenue.

Third, the public, collective, and individual economies developed concurrently. In the past, the practice of blindly making a transition from diversified economic forms to a unitary system of public ownership, restricting the collective economy, and rejecting the individual economy, which went beyond the development level of China's productive forces at the present stage, had seriously affected economic development for a time.

Since the 3d Plenary Session of the 11th CPC Central Committee, on the basis of upholding the leading position of the public sector of the economy, the state has adopted a series of policies and measures to encourage and support the collective economy and to appropriately develop the individual economy. A prosperous situation characterized by the overall development of numerous economic forms has emerged in the vast urban and rural areas. Of the city and town laborers, the number of workers and staff members employed by collective enterprises rose from 24.25 million in 1980 to 32.16 million in 1984; the number of self-employed laborers rose from 0.81 million to 3.39 million. Their proportion also rose from 23.8 percent to 29.1 percent. Of the gross value of industrial production, the proportion of the output value of collective industrial enterprises rose from 20.7 percent to 25 percent, individual industry accounted for 0.2 percent, and other economic forms (joint ventures between the state collectives, between the state and individuals, and between Chinese and foreign enterprises) accounted for 1.4 percent. The simultaneous development of numerous economic forms has not only promoted economic prosperity in urban and rural areas but also opened up new employment opportunities. More than 35 million people have been provided with jobs; this has promoted social stability.

Fourth, the policies of carrying out reform, opening up to the outside world, and invigorating the domestic economy have increasingly enlivened China's economy. Economic development in the past 5 years has shown that without thoroughly rectifying "leftist" errors and resolutely shifting the focus of our work, it would have been impossible to create an excellent situation today; similarly, without persisting in reform it would also have been impossible to create today's excellent situation. Since the 3d Plenary Session of the 11th CPC Central Committee, the reform of China's economic structure has gradually developed from the rural areas to the cities, from the collective economy to the economy under ownership by the whole people, from small to large enterprises, from the coastal areas to the interior, and from the easy to the difficult. In invigorating the domestic economy, we have taken invigoration of enterprises as a central link in reform amd succeeded in smashing the rigid and closed pattern developed over a long time so that the enterprises have started to become relatively independent commodity producers and dealers. In opening up to the outside world, we have established 4 special economic zones and opened 14 coastal cities, broadening the scope of economic and technological cooperation with foreign countries. This has enabled our country's economy to begin switching from closed to open.

The economic structural reform has ushered in the most vigorous new period in economic development since the founding of the PRC. The economic vitality stifled by outdated economic structure is being liberated. As Comrade Hu Yaobang put it: First, we have indeed opened up a new situation and started a new period of rejuvenation or, at least, we have such a momentum; second, we have indeed found a way to build socialism with Chinese characteristics or, at least, we have seen such a general picture.

GROUP ARMY IN GUANGZHOU IMPROVES PARTY STYLE

HK261852 Beijing RENMIN RIBAO in Chinese 19 Feb 86 p 1

[Report by Zheng Suihua and Zhou Naisong: "Members of the Party Committee of a Certain Group Army Under Guangzhou Military Region Set Good Examples in Improving Party Style"]

[Text] Being strict with themselves, "all the members" of the party committee of a certain group army under Guangzhou Military Region have earnestly displayed an exemplary role in straightening out party style.

After the Army's CPC Committee Standing Committee was set up in May 1983, they first put a question to themselves: What does a new leading group rely on to earn their prestige and lead the troops well? After analyzing their characteristics of being young in average age, having insufficient qualifications and experiences, and so on, they obtained a clear understanding that first of all they must begin with straightening out their own party style. Only when "all members" set exemplary roles in party style, could they use their exemplary actions to influence and command troops.

When Political Commissar Lei Mingqiu's second son, who was studying in his hometown in Hunan, got sick, Lei happened to attend a meeting of the troops stationed near his hometown, so he made a detour to visit his ailing son. Afterward, he asked his adjutant to calculate the mileage of the detour and pay the fare for him in observance of the provision that members of the army party committee have to pay the fares necessary for private motor trips. Notwithstanding the sharp increase in the number of imported first class sedans, luxury cars, and air-conditioned cars over the last few years in the place where the army is stationed because of its proximity to special economic zones or that even leaders of the local township governments all ride in Toyota or Crown sedans, the leaders of the army are still using a Shanghai brand car and another Volga car distributed by the higher authorities.

The housing for the leaders of the army was all built in the early 1950's. In 1983, the military region appropriated a special fund to build new housing for cadres at the army level. However, while studying the building of new housing, they first thought of the poor conditions of the army office and the acute housing shortage problem of cadres, so they decided to put off the plan for building housing for leading cadres. After discussions with comrades of the logistics departments, the army leaders worked out a 3-year barracks building plan "to build multistoried dormitories, smooth the roads, and green the barracks area" and immediately started building the headquarters office building and dormitory building for cadres.

At that time, the veteran leaders who had withdrawn from the leading group still lived in their old residences, and five out of the seven new leaders of the leading group were staying at a hostel. Only in May last year when the office building for the headquarters and the political and logistics departments and three dormitory buildings, for cadres were completed and the majority of cadres moved into new homes, each composed of two bedrooms and one living room, did they start building the housing for the leaders at the army level.

Members of the Standing Committee of this group army hold that whether their children are well-educated is an important sign for judging their determination to straighten out party style. If they can only command thousands of troops but fail to manage their own families composed of several people only, a breach would be made in their effort to straighten out party style. Therefore, they pay special attention to not letting their dependents and children use their power and privileges or their names to seek personal gains and become privileged persons. The CPC Committee of the army has explicitly stipulated that children's admission into schools, work tranfers, and promotions should all be arranged by the organizations concerned and that leaders and dependents should not interfere, bother, or even "drop hints."

Since members of the Standing Committee of the army took a good lead in straightening out party style, this has not only aroused the cadres and fighters' hope for an improvement in the party style but also made them understand life's truth. As a result, a good atmosphere of being proud of integrity and public spirit and ashamed of abusing power to seek personal gains has been created throughout the army.

YU QIULI ADDRESSES ARMY ACADEMIES CONFERENCE

OW262019 Beijing XINHUA Domestic Service in Chinese 1506 GMT 26 Feb 86

[Text] Beijing, 26 Feb (XINHUA) -- The ultimate goal of intensifying the development of Army academies and schools is to improve the quality of the Army and train officers with high military capability and political consciousness; the political consciousness of officers is of primary and fundamental importance, said Yu Qiuli, deputy secretary of the Central Military Commission and director of the PLA General Political Department.

Addressing the 13th all-Army conference of military academies and schools on 25 February, Yu Qiuli fully confirmed the achievements made by the academies and schools since the 12th all-Army conference. He said: Army academies and schools have trained large numbers of capable personnel and contributed greatly to our Army building. Army academies and schools have produced a heroic group of students who defied danger to rescue people in the Hua Shan and many advanced individuals who were tempered in the self-defense and counterattack forms of combat. The "student officers" assigned by the academies and schools to PLA units have won widespread acclaim from the cadres and fighters. All these are the best indicators of the achievements scored by the academies and schools.

Yu Qiuli pointed out: What is called political consciousness is the possession of a certain level of Marxist theory and a correct outlook on life and on the world. An officer with high political consciousness should uphold the four fundamental principles, resolutely implement the party's line, principles, and policies, and maintain political unity with the party Central Committee; he should imbue himself with a firm conviction in communism, serve the people wholeheartedly, and place the interests of the party and the people above personal gains; and he should have a strong sense of organizational discipline, consciously obey orders, and observe law and discipline. The crystallized manifestations of all these qualities are possession of ideals, morality, general knowledge, and discipline; ardent love for the party, the socialist motherland, and the people; and the heroic spirit to safeguard the motherland and be dedicated to the undertaking of national defense.

Yu Qiuli said: Stressing the importance of students' political consciousness is in keeping with the principle of "looking to modernization, the world, and the future." On the one hand, students should be taught to emancipate their minds and broaden their horizons by studying the world's advanced science and technology, knowledge and skills needed for the four modernizations, and future tendencies in the development of military science and technology. On the other hand, they should be taught to foster a sense of national pride and self-confidence in the future of our country and the cause of communism, and to have a clear sense of their obligations and responsibilities for the country and in the Army's modernization drive. Only by following these requirements in training officers can we keep our Army building abreast with the rapid progress in the world's science and technology and can we always retain our Army's characteristics and strong points.

Yu Qiuli discussed achievements, as well as problems, of the academies and schools in raising students' political consciousness in recent years. He said: In emphasizing the political consciousness of students, we should always uphold the party's principle of stressing both political integrity and professional competence, and develop the students in a comprehensive way -- morally, intellectually, and physically. We should not stress political integrity alone and make empty talk about political affairs while neglecting military and specialized knowledge. Precisely by attaching importance to the political consciousness of students will we enable them to have a clear and definite orientation in combat and allow them to pursue new knowledge, improving their skills with a tenacious and enterprising spirit.

With a higher political consciousness and good command of science and general and professional knowledge, the students will redouble their might and be able to develop their ability to the fullest.

Yu Qiuli pointed out: Currently it is necessary to raise the students' political consciousness in the following four aspects: 1) It is necessary to intensify and reform the teaching of Marxist theory. 2) It is necessary to vigorously step up ideological and political work. 3) It is necessary to cultivate good school style. 4) Leaders at all levels should assume the responsibility of raising the students' political consciousness. Yu Qiuli stressed: With higher political consciousness among Army cadres, the party and the people can rest assured.

YANG DEZHI STRESSES MILITARY EDUCATION

OW271747 Beijing XINHUA Domestic Service in Chinese 1500 GMT 26 Feb 86

[Text] Beijing, 25 Feb (XINHUA) -- The 13th all-Army conference of military academies and schools, which opened on 17 February, ended today. Yang Dezhi, deputy secretary general of the Central Military Commission and chief of the general staff, pointed out in his speech that Army academies and schools should promptly make strategic changes in their work in order to adapt themselves to the needs of the Army's peacetime construction, keep abreast with the pace of nationwide educational reforms, and make the best use of the golden opportunity made available by the new technological revolution.

With the CPC Central Committee's decision on reform of the educational system and the spirit of the Central Military Commission's enlarged meeting as the guidelines, the conference studied reforms of Army academies and schools in the light of the strategic shift in the guiding principle for Army building. Leading comrades from all Army academies and schools and major PLA units discussed and revised draft documents concerning reforms of the academies and schools and reduction-in-force reorganization of the Army. They also studied work and measures for carrying out structural reform and reduction-in-strength reorganization of the academies and schools.

Stressing the importance and necessity of making strategic changes in Army academies and schools in his speech at the closing of the conference, Yang Dezhi said: In order to truly achieve the strategic shift, Army academies and schools should change the guiding ideology for running schools to gearing education to the needs of the modernization drive, the world, and the future by training skilled personnel for current needs as well as for the Army's construction and development in the 1990's and the early 21st century.

Touching on the reform and development of Army academies and schools now and for some time to come, Yang Dezhi said: It is necessary to formulate strategies for developing the education of Army academies and schools by building a modernized military educational system step by step in keeping with China's circumstances and with the characteristics of the Chinese Army, studying and drawing upon the world's cultural achievements and advanced experiences, adopting effective measures to improve the quality of teachers, getting rid of the closed educational system and implementing an open school system, and exercising scientific management to invigorate Army academies and schools.

Deputy Secretaries General of the Central Military Commission Zhang Aiping and Hong Xuezhi attended and spoke at the conference.

LU XUN'S REPUTATION DEFENDED FROM BESMIRCHERS

HK260917 Beijing GUANGMING RIBAO in Chinese 19 Jan 86 p 4

[Article by Lin Mohan: "Warriors and Flies" from EAST WIND literary supplement -- reprinted on page 4 of 22 February RENMIN RIBAO]

[Text] When cherished by the people, any great son of the people will invariably come under attack and slander from some people. This is because he has violent passions of love and hatred. Inevitably he is cherished by those he loves and hated by those he hates. Lu Xun was one such great son of the people. In his lifetime, he was often slandered and cursed. This happened not only during his lifetime, but after he passed away, in the past as well as today.

Of late, an ill wind has been fanned to disparage Lu Xun and his works, with his works labeled "Lu Stuff." "A Madman's Diary," the first arrow ever shot at the feudal ethical code, is talked of as "a work of imitation." "The True Story of Ah Q," which portrays the spiritual weakness of the Chinese, and aims to function as a cure, is regarded as "initiating a dangerous example in the modern history of Chinese culture." "Regrets for the Past" is "an old-style scholar writing about love." And many other stories in the collections "Call to Arms" and "Hesitation" are "commonplace or inferior." "Wild Grass" has "fallen into the pit of ossification." "Stories Newly Told" is "game-playing in writing," and "third rate." "Dawn Blossoms Plucked at Dusk" "cannot be classified as genuine literary writing." As to Lu Xun's essays, "they serve as another example to prove the decline in Lu Xun's creativity," and "were written just to earn a living," are "lacking in literary value", and "the overwhelming majority of his essays will lose their value with changes in time and environment." Even Lu Xun's translation work is "disappointing," it is "clumsy and unreadable, and his translated versiou of 'The Dead Souls' serves very well as an example."

Can these things fall into the category of literary study and criticism? Clearly not. That is out and out unrealistic subjective assertion, vicious attack, and disparagement, without any sense of science. We have never held that differing views on Lu Xun's works should be ignored. In the article "Concerning the Annotation of 'Lu Xun Collection,' New Edition," I made the following statement: "People may study and explore the works of a great writer from different angles, and may have different understanding and interpretation, and people of different ages may have different understanding and interpretation." Therefore, I am not for adding an "explanatory note on the title or background" for every piece of work in the 'collection.' So doing would objectively create a 'statutory' explanation, which is undesirable. However, anyone who is fair and who has some historical conception and knowledge of literature will never make such irresponsible remarks and absurd attacks on Lu Xun and his works as those people mentioned above. This is really "frivolous writing holding others in endless ridicule"; however, those who turn their heads upward and spit into the sky will eventually find their own saliva falling into their own eyes. The editor of the journal which carried that remarkable article says: "This article does not represent the views of this journal." In that case, will you please lay bare "your journal's view," too?

It is a sorrow as well as a shame when some people sling mud at and destroy the cream of their country. Unfortunately, 6 decades ago, Lu Xun had already portrayed the face of such people: "When a warrior is dead, what the flies discover are his shortcomings and scars, and the flies feed themselves on his wounds, buzzing, much to their own satisfaction, for they think themselves more heroic than the deceased. However, the warrior is dead on the battlefield and can no longer fan the flies away. So the flies buzz with all their efforts, believing their buzzing immortal, because their completeness far surpasses that of the warrior.

True, none have discovered the shortcomings and wounds of the flies. However, a warrior with shortcomings is, after all, a warrior, and a perfect fly will always remain a fly." Compared with 6 decades ago, flies are much fewer in number now: however, they are not eliminated. Who says that Lu Xun's essays are outmoded? The poem Yu Dafu dedicated to Lu Xun puts it well: "The mobs have exerted their utmost efforts to stop the current of the river, but it just keeps rolling on forever!"

## INSPECTION OF IMPORTS, EXPORTS TO BE TIGHTENED

HK260559 Beijing CHINA DAILY in English 26 Feb 86 p 2

[Text] The State Commodity Inspection Bureau is urging its local inspectors to tighten their surveillance on imports and exports in order to maintain quality and prevent waste, according to the newspaper ECONOMIC INFORMATION. The article said the duty of local inspection bureaus was not only to inspect imports and exports but also to help domestic exporters improve the quality of their goods. The State Commodity Inspection Bureau also plans to establish links with foreign counterparts to explore new channels for China's exports.

According to the newspaper, the bureau plans to rigorously enforce its inspection regulations for imports and exports and improve its instruments for inspection to raise efficiency. At the same time as tightening its checks on exports, the bureau will also improve its quality inspections of imports. According to the newspaper, some Chinese businesses have allowed quality inspections to slip and so some imported equipment and goods that have not been properly checked in the past few years, have resulted in large losses for the State.

Last year, the Anhui Provincial Metal Materials Corporation imported 9,800 tons of steel. The material, which had not been inspected, was found to have crevices and holes and so resulted in a loss of more than $700,000.

The newspaper stressed that all imports and exports should be inspected. No imported goods that have not been inspected should be installed, marketed or put into operation. Violators of the regulation would be subject to fines. The bureau also asked Chinese trade organizations and businesses to take special care to inspect contracts thoroughly before signing with foreign businesmen for imported goods. Governments in various provinces, autonomous regions and municipalities have also been ordered to draw up their own regulations to tighten inspections.

## TRADE UNION WORKERS VOLUNTARILY POLICE PRICES

HK260605 Beijing CHINA DAILY in English 26 Feb 86 p 3

[By staff reporter Jing Jun]

[Text] More than 24,000 workers affiliated with trade unions across the country are busy hunting down market profiteers and speculators. These volunteer price inspectors rush to the markets near their homes after a day's work to guard against illegal price hikes, cheating on the scales and poor quality of goods. Their efforts to protect consumers' interest is essential to China's price reform, a national conference on price inspection held in Tangshan was told this week.

Zhen Dongshen, an official of the All-China Federation of Trade Unions, told CHINA DAILY some 3,500 agencies of price inspection have been established in China during the past two years, employing more than 24,000 volunteer inspectors. They have handled 500,000 cases involving price hikes and cheating at markets scattered throughout urban areas, said Zhen. They have returned a total of 6 million yuan to customers and fined thousands of profiteers and speculators. Such agencies have spread to 22 provinces and 250 cities and act as indispensable watchdogs in the country's economic life, Zhen said.

Price surveillance by consumers was first started in Changchun, capital of Jilin Province and soon recognized by the State Price Bureau as an effective measure. Last year, the All-China Federation of Trade Unions and the State Price Bureau jointly issued a provisional regulation calling on the general public of encourage such a practice. In Jilin's neighbouring province of Liaoning, fines totalling 7.2 million yuan were collected from profiteering shops during the first half of last year. Efforts were stepped up to keep a watch on prices after the country lifted uniform price controls on meat, poultry, eggs and fish on June 1 last year in 35 major cities. However, the volunteer price checkers do not limit their inspections to market prices only but also check excessive tuition fees, illegal surcharges for services in restaurants, fake medicines and sale of imported used clothing.

ASPECTS OF COMMERCIAL ADVERTISING CONSIDERED

HK260817 Beijing GUANGMING RIBAO in Chinese 15 Feb 86 p 3

[Article by Liu Weizhoung: "The Characteristics of Socialist Commercial Advertising"]

[Text] Advertising is the offspring of a commodity economy. Socialist commodity economy and capitalist commodity economy differ in nature. Differences in principles also exist between them in advertising. Each has its own characteristics.

The value of political ideology: The value of political ideology in socialist advertising requires that consideration be given to the social benefits of the theme, wording, and visuals of the advertisement concerned, and that its essence be healthy. However, the basic aim of advertising is to introduce certain commodities to consumers, and it is necessary to correctly link advertising commodities with political propaganda. Advertising should introduce commodities to consumers and display political ideology.

The value of truth: Advertising should be truthful and scientific. It must truthfully introduce commodities to consumers and display their actual qualities and characteristics. Under no circumstances should fraud or exaggeration be used or the trademark of a name-brand product be pirated in advertisements. The value of truth is determined by the nature of socialist commerce. Therefore it is the basic characteristic of socialist advertising.

Artistic value: By the artistic value of advertising, we mean the particular choices made for the display of an advertisement. The artistic value is usually embodied in an explicit theme, an appropriate layout, harmonious colors, and liveliness, all of which become part of the people's cultural life. Artistic value must be subject to the theme and the value of truth in advertising.

Mass value: The object of advertising is consumers. Therefore, attention must be attached to the mass viewpoint of such publicity. The theme of the advertisement, how this is expressed, and the artistic means must be suited to the lifestyle and tastes of the Chinese people. They must portray the national characteristics as they really are.

The value of time and efficiency: This characteristic of advertising refers to the value of time and the results of publicity. The value of time in advertising means the timely renewal of commodities publicity to follow the market changes. The effects of advertising include social benefits and economic results. Advertising must embody the value of political ideology, with attention to social benefits. At the same time, attention must also be attached to the economic results of advertising. Economic results refer to the effects on expanding the marketing of commodities resulting from advertising. Included here is the difference between the advertising costs and profits realized, with profits intended to be greater than costs.

These characteristics of socialist advertising should become the principles for the advertising by industrial and commercial enterprises, as well as in advertising administration. Only by taking them as a guideline will it be possible to correctly apply advertising so as to stimulate the prosperous development of a commodity economy and to better serve the four modernizations.

## ZHAO ZIYANG LAUDS HENAN'S ECONOMIC GROWTH

OW270213 Beijing XINHUA Domestic Service in Chinese 1133 GMT 26 Feb 86

[By reporter Fan Guanghua, Zhao Derun]

[Excerpt] Zhengzhou, 26 Feb (XINHUA) -- In the course of the readjustment of the rural production structure, Zhoukou Prefecture, Henan Province, which has a huge population, little arable land, and a weak industrial foundation, has relied on intensive operation and developed farming, fishbreeding, and processing of farm produce and animal byproducts. This has promoted a healthy cycle in the development of rural economy, and brought prosperity to peasants in the improverished Huang He flood zone. Recently Premier Zhao Ziyang and Vice Premier Tian Jiyun inspected Henan and showed their appreciation for this practice of developing the economy in line with local conditions.

## LI PENG STRESSES UPGRADING OF OLD RAILROADS

OW262145 Beijing XINHUA Domestic Service in Chinese 1317 GMT 26 Feb 86

[By RENMIN RIBAO reporter Wang Lijiang and XINHUA reporter Huang Fengchu]

[Text] Beijing, 26 Feb (XINHUA) -- In a speech at a national railway work conference today, Li Peng, vice premier of the State Council, said: Railroad departments should upgrade old railroads and further tap potential in order to bring into full play their leading role in building a comprehensive and rationally structured transportation system in China.

While confirming the achievements made by the 3 million railroad staff and workers during the Sixth 5-Year Plan period, Li Peng pointed out in his speech that along with the development of the national economy, the strains on railroad transportation have remained, and it is necessary to make the best use of transportation capacities. Currently the average load of a freight train is about 2,200 metric tons, and most passenger trains are operated with 14 or 15 cars. But freight trains on a number of railroads are each loaded with over 3,000 metric tons, and an experimental freight train with over 7,000 metric tons has proved successful in sections of several railroads, while some passenger trains are operated with 20 cars. Of course, actual conditions vary with each railroad. If freight train loads can be appropriately increased and the number of cars and dispatches of passenger trains expanded, transportation capacities can be increased markedly.

Li Peng pointed out: During the Seventh 5-Year Plan period, we should build new railroads in a systematic manner, but should also focus our attention on upgrading old railroads. It is necessary to concentrate manpower, material, and financial resources on adopting new technology to upgrade those busy trunk lines in the eastern and coastal regions so as to greatly increase the overall transportation capacity. Railroad departments should formulate policies and give technical assistance to help various localities build railroads, especially to support localities with good economic efficiency and rich resources.

Li Peng said: The backward locomotive industry has directly affected transportation. Railroad departments should exert great efforts to carry out technological transformation of the locomotive industry in order to expand its production capacity and improve product quality. At the same time, it is necessary to step up lateral economic cooperation with other machine-building industries in a joint effort to push forward the locomotive industry.

## YANG SHANGKUN VISITS FUJIAN'S QUANZHOU, XIAMEN

OW261025 Fuzhou FUJIAN RIBAO in Chinese 17 Feb 86 p 1

[Text] Yang Shangkun, member of the Political Bureau of the CPC Central Committee and permanent vice chairman of the Central Military Commission, inspected Quanzhou and Xiamen from 10 to 15 February, with the hope that the areas he visited would carry out their work well in the new year.

After visiting Quanzhou and receiving a briefing there, Comrade Yang Shangkun visited the Shishi consumer goods market in Jinjiang. He praised Quanzhou for doing a good job in developing the two types of civilization. In Xiamen, he heard reports from PLA units stationed in Xiamen and the leadership of the city of Xiamen, and toured various PLA units, rural areas, and factories to learn about the living and working conditions of commanders and fighters and of the people as well as about local construction work. He pointed out: The Army must help in building the special economic zone. All PLA units must understand the state's policy on special economic zones and help and support the construction work in these zones. He emphatically pointed out: Party rectification below the regimental level must be carried out in close connection with the practice of correcting unhealthy tendencies. The Army must spearhead efforts in correcting party style.

When he met party and government leaders and retired cadres in Xiamen City, Comrade Yang Shangkun said: Progress has been quite fast in Xiamen. We must persistently uphold the policy of opening to the outside world. As of now, we have not done enough in opening to the outside world. Our future is bleak unless we carry out reform and open to the outside world. Xiamen has excellent conditions for opening to the outside world. We must sum up our experience, continue our efforts, and unswervingly promote the policy of opening to the outside world in order to score even greater achievements.

## YANG DEZHI ADDRESSES LANTERN FESTIVAL PARTY

HK251623 [Editorial Report] Beijing Domestic Television Service in Mandarin at 1130 GMT on 23 February shows Yang Dezhi, Zhang Aiping, Hong Xuezhi, Li Jukui, and Qin Jiwei, identified by the announcer as "leading comrades of the Central Military Commission," attending a televised Red Star Evening Party to celebrate the Lantern Festival. The undated party was jointly sponsored by the editorial department of JIEFANGJUN SHENGHUO (THE LIFE OF THE PLA) and the central television station, according to the film caption. The PLA leaders are shown watching song and dance performances at the 69.5 minute party held in an unidentified auditorium. During the party Yang Dezhi, identified by a master of ceremonies as chief of General Staff of the PLA, is seen and heard delivering a speech. The following is the full text of Yang's speech:

"Our comrades attending this party come from various fronts. There are heroes and models. Some of them came from the frontline. On the frontline, they lead a hard life and fight heroically. The frontline has produced many heroes and models. Everybody has done a lot and has done very well in his work. During the new year, we hope that everybody will continue working harder. Our comrades on the frontline must guard the gate and strike powerful blows at the aggressor and the enemy so as to defend our country and safeguard our construction for the four modernizations. Our comrades on interior lines and in the rear must make a still better job of (?Army) work and further promote production, Army (?building) and military training. Lastly, we would like to thank some comrades of our Army for giving us many performances. We would also like to wish comrades attending this party success in their work and the best of health."

While some singers, including former Taiwan Air Force pilot Huang Zhicheng (Huang is identified by a master of ceremonies at the party as deputy commandant of a "certain" aviation academy of the PLA Air Force) are heard singing songs, there are unidentified film clips showing: soldiers keeping guard on the frontiers; Huang Zhicheng standing in front of a PLA Air Force plane and speaking with several pilots; Huang speaking with a pilot sitting in a military aircraft; and a military aircraft taking off.

FANG YI, OTHERS AT FUJIAN MASS CONCERT

OW241135 Beijing XINHUA in English 1045 GMT 24 Feb 86

[Text] Xiamen, February 24 (XINHUA) -- A parade marked the beginning of China's biggest biggest-ever "Nan Yin" (southern music) concert here Friday. More than 10,000 spectators lined the streets, which were decorated with lanterns and colored streamers. The four-day concert was attended by 460 musicians from 27 troupes. Over half of them are Taiwan, Hong Kong and Macao compatriots, and Overseas Chinese from the Philippines and Singapore.

Fujian Province is believed to be the place where "Nan Yin", melodies originating from the Tang Dynasty (618-907) was first developed. The music, popular in Fujian, Taiwan and the Chinese communities in Southeast Asia, was recognized as court music during the reign of Qing Dynasty Emperor Kangxi (1662-1721). Experts believe that it is the best preserved and most complete "living fossil" of ancient Chinese music. Since 1981, three Nan Yin concerts have been held in Fujian, and the China "Nan Yin" Society was set up in Fujian's Quanzhou City last year. The opening ceremony was attended by Li Huanzhi, president of the Chinese Musicians Association, and Zhao Feng, president of the China Nan Yin Society.

State leaders Fang Yi, Peng Chong and Ye Fei, Zhao Puchu, president of the Buddhist Association of China, and Zhang Guoji, chairman of the All-China Federation of Returned Overseas Chinese, wrote poems or a few words of encouragement for the concert.

WAN LI, DENG LIQUN, PENG CHONG HONOR ACROBATS

OW261338 Beijing XINHUA in English 1329 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- Chinese acrobats who had won prizes at international competitions were honored at a party here today. Senior chinese officials Wan Li, Deng Liqun and Peng Chong met and presented certificates of merit to the acrobats. The acrobats performed at the gathering their award-winning items, including "group pole-climbing", "hoop jumping", "trick-cycling", "juggling" and "stunts on chairs".

DENG LIQUN ATTENDS SONG-WRITING AWARD MEETING

OW251049 Beijing XINHUA Domestic Service in Chinese 1451 GMT 24 Feb 86

[By reporter Yang Li]

[Excerpt] Beijing, 24 Feb (XINHUA) -- An award presentation ceremony was held in the Beijing Auditorium of the CPPCC National Committee this evening as part of the song-writing contest jointly sponsored by 19 provincial and municipal newspapers for youths entitled: "Dedicated to the Most Lovable People of the Contemporary Era." Souvenirs and certificates of honor were handed out to the winning song composers by Deng Liqun, Secretatiat member of the CPC Central Committee; Yan Jici, vice chairman of the NPC Standing Committee; responsible comrades of the Ministry of Culture, the CYL Central Committee, Beijing Municipality, and the PLA General Political Department; and Sheng Gishun, combat hero from the Laoshan front.

DENG LIQUN VISITS NEWS PHOTOGRAPHY EXHIBITION

OW260405 Beijing XINHUA Domestic Service in Chinese 1321 GMT 25 Feb 86

[By reporter Yin Hongzhu]

[Excerpts] Beijing, 25 Feb (XINHUA) -- Lu Xiangyou, a celebrated photographer, who has worked and studied diligently for 3P years on China's news photography front, displayed 110 of his works to the masses today. Deng Liqun, Zhu Xuefan, Yang Chengwu, Rong Gaotang, noted photographers Shi Shaohua and Wu Yinxian, [words indistinct], and several hundred photography enthusiasts visited the exhibition to see the works. The exhibition, jointly sponsored by RENMIN RIBAO, the Chinese Photographers Association, the Chinese News Photography Society, and ZHONGGUO XINWEN SHE, will end on 6 March.

HU QIAOMU, DENG LIQUN ON SPRING FESTIVAL PARTY

OW230853 Beijing XINHUA Domestic Service in Chinese 1605 GMT 22 Feb 86

[Excerpts] Beijing, 22 Feb (XINHUA) -- After the telecasting of the Spring Festival gala party program last year, the central TV station received a large number of letters of criticism, accusation, and even protest. What do the people think of this year's Spring Festival gala party? At a discussion meeting this afternoon to review the 1986 Spring Festival gala party, representatives of workers, peasants, soldiers, students, and businessmen and central leading comrades concerned all agreed that this year's program was cheerful, sound, and humorous, and loved by everybody. Comrade Hu Qiaomu said: "I will give my opinion as a common viewer. The New Year's Eve party was great fun to watch. Many times I almost laughed my head off. It was truly enjoyable for old people. This year's Spring Festival program showed a great deal of improvement compared with that of last year. This shows that our party's principle of promoting socialist spiritual civilization can be realized through common efforts."

Deng Liqun said: "The different responses to the Spring Festival programs of last year and this year remind us not to underestimate the masses' ability to differentiate good from bad, and their level of appreciation. Our people are fond of healthy, elegant, and substantial works of literature and art. Some people think that literary and art works will lose their readers and audience unless they cater to vulgar tastes. This view proves untenable." Zhu House, Ai Zhisheng, and some of the working staff of the gala party attended today's meeting.

## HU YAOBANG WRITES TITLE FOR LAOSHAN BOOK

SK250814 Jinan Shandong Provincial Service in Mandarin 2300 GMT 24 Feb 86

[Text] A ceremony to mark the publication of "Qianfang Laixin" ["Letters From the Frontline"], a book whose title was personally written by Comrade Hu Yaobang, was held in Jinan on 24 February. More than 400 persons attended the ceremony, including representatives from the PLA General Political Department, the CYL Central Committee, the Shandong Provincial CPC Committee, the Shandong Provincial CYL Committee, central and local publishing and press units, and various circles.

The book "Qianfang Laixin", which was selected and compiled by the Propaganda Department of the Jinan Military Region and published by the China Youth Publishing House, includes 127 letters from the commanders and fighters on the Laoshan frontline to their relatives in the rear. They truly demonstrate the commanders and fighters' lofty character and morals of sacrificing their lives for the country. This book has aroused the great attention of the central leading comrades and the broad masses of readers. Comrade Hu Yaobang wrote the title of the book. Peng Zhen, Xu Xiangqian, Li Peng, Yang Dezhi, Zhang Aiping and other comrades wrote inscriptions for the book. Comrade Yu Qiuli wrote the preface.

At the ceremony to mark the publication of the book, Chi Haotian, political commissar of the Jinan Military Region, said: The book "Qianfang Laixin" depicts echoes from the battlefield and the brilliance of youths. While reading this book, each and every person will feel that there is a strong spiritual force vibrating his heart. This force is what the soldiers on the Laoshan frontline called it the Laoshan spirit -- the communist spirit with selflessness and dedication as its core. Through publishing and reading this book, we should create a new surge in activities of learning from the heroes on the Laoshan frontline and make the Laoshan spirit of heroes strike a deeper chord in the hearts of the people.

Responsible persons of China Youth Publishing House, Xinhua book stores, Beijing publishing unit, (Sheng Qinghan), father of Sheng Qishun, a first-grade hero, and a representative of student from the chemistry department of Shandong University gave speeches.

## SHANGHAI WEEKLY INTERVIEWS HU YAOBANG'S WIFE

OW230546 Shanghai City Service in Mandarin 0100 GMT 23 Feb 86

[Text] A special correspondent of the journal SHENGHUO ZHOUKAN [LIFE WEEKLY] recently paid a visit to Comrade Hu Yaobang's residence to interview his wife, Comrade Li Zhao. The weekly today carried the interview at a prominent space on the front page. Entitled "A Mother's Wishes," the interview reported their circumstances during the Cultural Revolution as well as their efforts to be good parents.

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2. State Council Circular on the Approval and Circulation of the State Economic Commission Report on Effectively Organizing the Production and Management of Small Commodities (24 October 1985)

3. Report of the State Economic Commission on Effectively Organizing the Production and Management of Small Commodities

4. Circular of the State Council General Office on the Approval and Circulation of a Report of the Ministry of Water Resources and Electric Power on Stepping Up the Control Over Agricultural Irrigation Facilities (17 October 1985)

5. Report of the Ministry of Water Resources and Electric Power on Stepping Up the Control over Agricultural Irrigation Facilities (17 September 1985)

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8. Report of the Chinese People's Insurance Company on the Development of Insurance Business Involving Foreign Establishments To Increase Foreign Exchange Income (11 October 1985)

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## HAN PEIXIN ATTENDS JIANGSU TECHNOLOGY EXHIBITION

OW210951 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 20 Feb 86

[Excerpts] An exhibition showing advanced equipment for Western-style clothes production lines offered by the Tokyo Juki Industrial Co., Ltd., and advanced sewing technology of the Toyobo Co., Ltd., Japan, opened this morning at the Youyi Garment Plant in Nanjing.

Among those attending the opening ceremony were Zhang Xuwu, vice governor of Jiangsu Province; (Wang Zhonghui), assistant general manager of the China National Garment Industrial Corporation; (Xu Yingrui), vice mayor of Nanjing City; and responsible persons from the departments concerned.

Han Peixin, secretary of the provincial CPC Committee, who once before visited the Tokyo Juki Industrial Co., Ltd., was invited to attend the opening ceremony.

The exhibition will last 15 days. During this period the Chinese and Japanese sides will conduct various technological exchanges and hold trade talks.

On the evening of 19 February, Han Peixin, Zhang Xuwu, and other leaders had a meeting with the Japanese guests.

## JIANGXI CIRCULAR ON CORRECTING PARTY STYLE

OW241250 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 21 Feb 86

[Excerpt] The general offices of the provincial CPC Committee and the provincial people's government issued a circular on 14 February calling on all leading cadres to lead party members and cadres in following the relevant regulations on correcting party style.

The circular pointed out: In order to correct the current unhealthy trends which prevail in our party and government organs, the provincial CPC Committee urged the leading cadres at all levels to earnestly implement the guideline laid down by the CPC Central Committee in this regard, the several circulars issued by the General Offices of the CPC Central Committee and the State Council on solving some serious problems with regard to the work style in party and government organs, the several regulations on simplifying the work of entertaining leading cadres on their inspection tours, and the decision adopted by the provincial CPC Committee on firmly correcting the party style. It called on them to play their exemplary role well and teach by personal examples as well as verbal instructions and become models in correcting the party style.

In light of the existing party style problems in the province, the provincial CPC Committee discussed and approved a regulation that forbids the use of public funds to give dinner parties or present gifts, a regulation that strengthens the management over the use of official automobiles, and a regulation on the building or distribution of private residential quarters by party members and cadres. It called on all leading cadres to lead party members and cadres in resolutely implementing all the regulations.

## JIANGXI LEADERS PLANT TREES IN NANCHANG

OW241232 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 21 Feb 86

[Text] At 0830 this morning, more than 500 functionaries of party and government organs, including leading comrades at the provincial and city level, planted over 2,000 saplings at the (Xianghu) aquatic products farm and along the (Fu-Xiang) and (Siang-Qing) highways in suburban Nanchang.

Participants in the tree-planting activities today included leading comrades of the provincial CPC Committee and the provincial people's government Wan Shaofen, Liu Fangren, Xu Qin, Pei Dean, Wang Baotian, (Ru Xiuzhen), (Wang Taihua), (Sun Xiren) and (Cheng Guizhen); Chairman Zhao Zengyi and Vice Chairman (Li Sheng) of the provincial Advisory Commission; Political Commissar Wang Guande and Deputy Political Commissar (Wei Chaian) of the provincial military district; Standing Committee Chairman Wang Shufeng and Vice Chairmen Wang Zemin, Zheng Xiaoxian, and Peng Shengxi of the provincial People's Congress; Vice Chairmen Yang Yongfeng, Liu Jianhua, and Wu Yongle of the provincial CPPCC Committee; Chairman (Zhu Zhihong) of the provincial Discipline Inspection Commission; Secretary (Li Aisheng) of the Nanchang City CPC Committee and Nanchang City Mayor (Chen Andong).

SHANGHAI: NEW 'COMPANIES,' 'CENTERS' TO CONTINUE

HK210855 Beijing ZHONGGUO XINWEN SHE in Chinese 0159 GMT 19 Feb 86

[Text] Shanghai, 29 February (ZHONGGUO XINWEN SHE) -- Recently, an official of Shanghai municipal industrial and commercial administrative bureau revealed that beginning from August last year, the municipality had sorted out and consolidated, 4,073 "companies" and "centers" which were newly established in recent years. Following this, some 70 percent of the "companies" and "centers" will have their business licences renewed and be allowed to continue their business.

It is learned that these "companies" and "centers" mainly engage in such trades as catering, maintenance services, services, processing, and consultative services in the areas of science and technology.

On the other hand, 151 "companies" and "centers" had their business licences revoked. This is mainly because these "companies" and "centers" violated the "trade mark law," the "economic contract law," the "patent law," the "interim regulations on supervising the registration of enterprises" during their operation. Some of them were controlled by criminals who engaged in speculation and other illegal means, thereby disrupting the normal operation of the social economy. But there were some "companies" and "centers" which voluntarily ceased their operation because they lacked the necessary conditions.

According to the responsible people of some "companies" and "centers" which are allowed to continue their business, the government's action of hitting at illegal operation has promoted our living and working in peace and contentment.

In addition, the official said: This work only involves the "companies" and "centers" run by local people, not joint ventures, enterprises, and companies solely or jointly run by foreigners and compatriots from Hong Kong and Macao. However, they must also observe the law of China.

ZHEJIANG TRANSFERS MILITIA TO LOCAL AUTHORITY

OW241438 Beijing XINHUA Domestic Service in Chinese 0847 GMT 24 Feb 86

[By correspondents Wang Yonggui and Wang Xiangu]

[Excerpts] Hangzhou, 24 Feb (XINHUA) -- The Zhejiang Military District has made active preparations to set up a system of transferring the people's Armed Forces departments to the local authorities. While paying full attention to ideological education, it also reshuffled cadres to strengthen the contingents of militia cadres in mountainous areas and coastal islands.

As of the end of February, the majority of the vacancies for militia cadres at the county and city levels have been basically filled, laying a solid foundation in handing over to the local authorities a leading militia body that is sound in ideology, fine in work style, and professionally competent.

There are vast mountainous areas and many coastal islands in Zhejiang. Half of the 89 county-level people's Armed Forces departments in the province are located in mountainous areas and coastal islands. Many localities lack transport facilities and people there lead a hard life. In order to fill all the vacancies of militia cadres, the provincial military district has kepts its channels wide open for the exchange of cadres and succeeded in transferring more than 500 military cadres to the militia departments by promoting lateral exchanges of cadres and recruiting militia cadres from among discharged or retired Army cadres. It has transferred those cadres who love to carry out militia work and who are vocationally competent and willing to return and work in their native places to various militia departments. This has basically solved the problem of filling all the vacancies of militia cadres.

At the same time the provincial military district also attaches great importance to carrying out education among militia cadres on ideals. It has organized the people's Armed Forces cadres to study the decision made by the Central Military Commission on transferring the people's Armed Forces departments to the local authority and invited veteran militia cadres who have stayed and worked in mountainous areas and coastal islands for many years to talk about their experience and ideals. After receiving education, many militia cadres have done a good job in establishing the thought of settling down wherever they are needed.

ZHEJIANG PROVINCE HOLDS MEETING ON RURAL WORK

OW210453 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 20 Feb 86

[Excerpts] The Zhejiang Provincial CPC Committee held a meeting on rural work in Hangzhou from 14 to 19 February. Wang Fang, secretary of the provincial CPC Committee and Governor Xue Ju, attended and spoke at the meeting. The meeting pointed out that attention should be paid to grasping the following four tasks when carrying out this year's rural work:

1. It is necessary to firmly grasp grain production, actively develop a diversified farming operation, actively and properly adjust the production structure of the rural areas, and promote commodity production in an all-round way.

2. It is necessary to ensure the fulfillment of grain procurement tasks and the supply of nonstaple food products for cities.

3. It is necessary to vigorously develop socialized services, establish and improve the service network, and improve the management of commodity production.

4. It is necessary to do a good job in party rectification, strengthen organizational building at the grass-roots level in the rural areas, pay attention to ideological and political work, and strive to further improve party conduct and social customs.

The meeting pointed out: The key to successfully carrying out this year's rural work lies in strengthening and improving the party's leadership over this work. We should spend more time and effort grasping the improvement of ideology, organization, and work style, effectively strengthen ideological and political work and the building of spiritual civilization in the rural areas, firmly grasp party rectification in the rural areas from the beginning to the end, strengthen organizational building at the grass-roots level in the rural areas, raise the fighting power of party organizations at the grass-roots level, and strengthen the coordination of all sides.

## Wang Fang Speaks

OW251129 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 22 Feb 86

[Excerpts] At the provincial conference on rural work which ended recently, Wang Fang, secretary of the provincial CPC Committee suggested regarding the improvement of the commodity circulation system as a pressing task in deeply carrying out reforms. Comrade Wang Fang said: According to reports from various localities, peasants are happy that they are now free to do things and that the economy has been invigorated. However, they are worried that the risk remains high in carrying out commodity production. Those who do well become rich, while those who fail must suffer a great deal. He said: Following the development of commodity production, commodity circulation must be oriented to cater to both the domestic and foreign markets. In developing commodity production, we must take into consideration not only the current needs of society but also the future needs of society.

Wang Fang said: Promoting and improving the contract system is an effective measure for integrating peasants' production with the state plan and the market need. This year, we must regard the promotion of the contract system as an important matter for organizing commodity production in the countryside. Right now, we must, first of all, do a good job in signing contracts for grain procurement. We reformed the state monopoly system for grain purchasing last year. It was a tremendous step forward, and the orientation was absolutely correct. The province is prepared to adopt some measures to encourage peasants to grow and sell more grain to the state.

Contracts for the purchase of major sideline products such as hogs, fowl, eggs, and aquatic products are also necessary. After the contracts are signed, measures should be taken to ensure the fulfillment of such contracts.

## WANG FANG AT LIGHT INDUSTRY MEETING IN ZHEJIANG

OW240538 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 21 Feb 86

[Text] A provincial meeting on light industry under the supervision of the second provincial light industry department ended today.

Attending and addressing the meeting were Wang Fang, secretary of the provincial party committee; Shen Zulun, member of the Standing Committee of the provincial party committee and vice governor of the province; and Wu Zhichuan, vice chairman of the provincial People's Congress Standing Committee.

The total output value of the province's light industrial enterprises under the supervision of the second provincial light industry department was 7,026 million yuan last year, increasing 36.9 percent over the previous year and ranking second in the country. In 1985, these enterprises paid taxes and made profits of more than 1 billion yuan, a 37.98 percent increase over the previous year. The profits made by collective enterprises continued to top that of such enterprises in all other provinces. Light industrial enterprises have also made new progress in tackling difficult scientific and technological problems and popularizing and applying new technologies.

In his speech at the meeting, Wang Fang, secretary of the provincial party committee, fully affirmed the achievements made last year by light industrial enterprises under the supervision of the second provincial light industry department.

He also set requirements for the further development of such enterprises this year. He said: In the spirit of the foolish old man who removed the mountains, we should persistently carry out reforms, promote technological progress, and do a good job in enterprise management and the development of new products in order to raise our economic results.

Comrade Wang Fang also stressed: These light industrial enterprises should pay close attention to product quality and raise their economic results by improving their product quality. They should produce famous brands of products and guarantee the quality of their products so as to be responsible to consumers and people.

ZHEJIANG'S WANG FANG ADDRESSES YOUNG SCIENTISTS

OW260509 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 25 Feb 86

[Text] Yesterday morning, more than 100 young and middle-aged scientists of the province were invited to a tea party given by Comrades Wang Fang and Shen Guifang and other leaders of the provincial CPC Committee. Wu Shiming, from Zhejiang university; Xia Yingwu, from Zhejiang Agricultural College; Su Jilan, from the No 2 State Oceanographic Research Institute; and 13 other comrades reported on their work and made suggestions and requests.

On behalf of the provincial CPC Committee and government, Comrade Wang Fang extended regards to the participants at the party as well as to the scientists and technicians throughout the province, hoping that they will strive to fulfill the province's Seventh 5-Year Plan.

Shen Guifang, head of the Organization Department and member of the Standing Committee of the provincial CPC Committee, also made a speech. She encouraged scientists and technicians to devote themselves to their work, persist in making reforms and innovations, and promote cooperation and unity.

## SICHUAN ISSUES NOTICE ON GOLD PRODUCTION

HK230253 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 20 Feb 86

[Text] The provincial government recently issued a notice demanding that all places seriously strengthen control over gold production.

The notice points out that gold resources are owned by the whole people and protected by the state Constitution. No units or individuals are allowed to mine it without approval and authority. After prospecting, the state has the large scale gold deposits mined while prefectures, cities, autonomous prefectures, counties, and gold management departments have made unified plans for mining small deposits and scattered resources. They vigorously organized townships, towns, collectives, and individual undertakings to carry out mining. All individuals must apply to the county gold management departments for gold mining permits if they want to mine gold. When mining gold, it is necessary to pay attention to the protection of forests, grassland, arable land, communications and water conservancy facilities. All gold mined by enterprises and individuals must be promptly and completely handed over and sold to the state. Except for the banks, which can procure gold, no units or individuals are allowed to procure, exchange, resell, conceal, or retain gold for their own use. Public security and industrial and commercial administrative departments at all levels must coordinate with each other and resolutely crack down on the crimes of smuggling and reselling gold.

## XIZANG'S WU JINGHUA AT MILITARY DISTRICT CPC MEETING

HK250909 Lhasa Xizang Regional Service in Mandarin 1130 GMT 22 Feb 86

[Text] On the afternoon of 22 February, Xizang Military District concluded its CPC Committee enlarged meeting. Entrusted by the Standing Committee of the regional military district CPC Committee, Political Commissar Zhang Shaosong made a report at the meeting on the basic situation of the 1985 work and the tasks for the 1986 work. Also, Commander Jiang Hongquan made a speech entitled: Get a Clear Idea Concerning the Situation, Establish Firm Faith, and Do Well in Correcting Party Work Style in a Down-to-Earth Manner.

They pointed out in their speeches that the units' basic guiding ideology and requirements for this year's work were to take as the principle the spirit of three central meetings and the military commission's enlarged meeting and forum, to strengthen ideological and political work, to strengthen the building of spiritual civilization, to strive for a fundamental turn for the better in party work style, to promote various tasks by focusing on streamlining and reorganizing the units, and to comprehensively improve the fighting capacity of the units.

All units attached to the military district, as well as leadership at various levels, must seriously carry out reforms, grasp the focal points, and make innovations. They should carry forward the spirit of the foolish old man who removed the mountains, be united and struggle hard, and make new achievements in such areas as reorganization, training, combat effectiveness, capital construction, and performing border sentry duty. Thereby, we could promote to a higher level the building of revolutionization, regularization, and modernization of PLA units attached to the military district.

The tasks for 1986 are great in volume and are significant. The CPC committees and leadership at various levels must manage to do well in the following points:

First, we must carry out reforms and conform to the general situation while emphasizing the focal points. We must seriously carry out and accomplish various tasks. However, we should not put all of them on a par. Instead, we should distinguish the major ones from the minor.

Second, we should promote the tendency of doing solid work, and advocate the mental attitude of creating a new situation. Cadres at all levels must set examples for others and take the lead in following the spirit of self-sacrifice. They should firmly establish the ideology of building Xizang with a long-term view, treating the border area as home and struggling hard. They should really overcome sich problems as handling matters in a light way and inefficiency in some areas.

Third, we should improve the work style and methods of leadership. Leadership and organs at all levels must strengthen their study of Xizang's special conditions, and must get a deeper understanding of its characterisitics. They should gradually master its special rules, and manage to use the skills learned to guide their work.

In conclusion they said: It is urgent and important that we should achieve a fundamental turn for the better within this year in party work style among the military district's units. All units attached to the military district must resolutely implement the central principle that when correcting the party work style and unhealthy tendencies, we must act in a resoulte and unremitting way. The units must also act to meet the requirement of doing more speaking less, which is repeatedly stressed by Comrade Deng Xiaoping. They should spend great efforts in conducting education on ideology and the concept of party work style, and in setting examples in the work by leading cadres. They should seriously carry out the instructions of the CPC Central Committee and the Central Military Commission, and the resolutions of the military region and military district on achieving a fundamental turn for the better in party work style. They should also make contributions to achieving within this year a fundamental turn for the better in the party work style of units attached to the district.

In the course of meeting, 71 leaders from various military subdistricts, brigades, independent regiments, and the military district's organs at department and bureau levels studied and discussed the speeches of central leaders, such as Hu Yaobang, Wang Zhaoguo, and so on, made at the central meeting of organ cadres; as well as those made by Yang Shangkun and (Zhou Ceyu) at the all-Army party rectification work forum of organs at and below regimental level.

The enlarged meeting adopted the revised resolution of the military district on striving to achieve within this year a fundamental turn for the better in party work style among units attached to the military district.

At the closing session of the meeting, Wu Jinghua, secretary of the regional CPC Committee and first political commissar of Xizang Military District, attended and made an important speech.

He stressed: Both the Army and localities must learn from and encourage each other in order to accomplish the work. They must jointly strive for a fundamental turn for the better in the party work style of the military district.

He said: The core of correcting party work style is the ideological line. Once there are problems concerning the ideological line, there will inevitably be such corrupt phenomena as the political development of liberalism and the economic development of unhealthy tendencies. This is closely related to problems left over from the Great Cultural Revolution. Without totally negating the Great Cultural Revolution, we shall fail in correcting the party work style of Xizang. Therefore, when correcting the party work style, the Xizang units should integrate their work with the education on going further in three respects, and grasp well the point of correcting the ideological line. They should further and firmly establish the thinking of serving the people wholeheartedly.

In Xizang, they should establish the thinking of serving the people of Xizang wholeheartedly. Last year, the regional CPC Committee Standing Committee held an enlarged meeting which put forward the suggestion of doing everything in three respects. This is the direction that the fighters should follow in their work. This is their bounden duty, that they should serve the people of Xizang.

When correcting party work style, the units should study the fine tradition of the Army, and set examples in implementing the party's policies toward minority nationalities and religion. For the units attached to the military district, this is also an important part of the building of socialist spiritual civilization. While helping the localities, the units should solicit opinions from the local units concerning their work, so as to heighten their level of thinking and strengthen the unity between the Army and the government, and between the Army and the people.

XIZANG SECRETARY WRITES TO STUDENTS AWAY FROM HOME

HK260937 Lhasa Xizang Regional Service in Mandarin 1130 GMT 23 Feb 86

[Excerpts from Wu Jinghua's letter to the Xizang class studying at (Hongguang) secondary school in Tianjin and Xizang classes studying in 15 other provinces and municipalities]

[Excerpts] Students: At a time when the Tibetans and people of other nationalities in Xizang were delightedly greeting the Year of the Tiger in the Tibetan calendar, and warmly celebrating the Spring Festival, the students of the Xizang class at (Hongguang) secondary school in Tianjin City sent me an enthusiastic cable extending holiday greetings. I was very glad to receive the cable and thanked them. On the occasion of the holiday celebration, I hereby extend my best regards and holiday greeting to all students of the Xizang class at (Hongguang) secondary school in Tianjin and Xizang classes in 15 other provinces and municipalities.

To prepare people in Xizang for warm celebration of the new year's day of the Tibetan calendar, the region CPC Committee and government instructed the regional Education Department to write comfort letters to you and your schools as early as January, and also sent you butter and zanba [a staple food of the Zang nationality] which I think you have already received. The gifts are small, but reflect the concern of the party and government and the deep feelings of the people in your hometown.

Students, you are the future of Xizang. Our Xizang is still backward at present. To become an advanced nationality, a nationality must have proper pride, make unremitting efforts to improve itself, and arm itself with science and technology. Xizang's invigoration relies on the advancement of science and technology. Xizang has selected outstanding students, such as you, to study in interior areas and will continue to do so during the next few years. This was a wise policy decision taken by the CPC Central Committee and State Council to develop all causes in Xizang, as well as a deep concern for the people of Xizang. This is of great strategic significance to swiftly bring about more and more useful people in Xizang, and to building a united, prosperous, and civilized new Xizang. I believe that you all realize this.

You left Xizang about 6 months ago, so you must miss your hometown very much. Here I delightedly tell you that the situation in your hometown is very good. Xizang is now implementing the spirit of three central conferences and the enlarged meeting of the Standing Committee of the regional CPC Committee.

Various practical economic nationality, religious, and united front work policies formulated by the CPC Central Committee for Xizang are now being carried out. It can be said that this is the best period since the peaceful liberation of Xizang in terms of the political and economic situation. Of course, numerous tasks remain to be undertaken in Xizang. To build a united, prosperous, and civilized new Xizang, it is necessary to rely on the efforts of our generation, and on the efforts of your generation in particular. The construction of Xizang at the end of this century and in the next century will be carried out by you. The motherland has great expectations of you, and the people in Xizang also have expectations of you. I hope that you will greatly treasure the opportunity of learning given to you by the party and people; not let the party and people in your hometown down; earnestly study Marxism-Leninism and Mao Zedong Thought; cherish a great communist ideal; and become new people who cherish great ideals, have moral integrity, are well educated, and observe discipline.

If you have any problems and requests in your study, you may write to me. If I have an opportunity, I will call on you.

In conclusion, I wish you health, happiness, progress in your study, and za xi de le [happy new year in the Tibetan language].

[Signed] Wu Jinghua

19 February 1986.

YUNNAN DISCIPLINE INSPECTION COMMISSION MEETS

HK230915 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 20 Feb 86

[Text] This morning at the administrative organs of the provincial CPC Committee's auditorium the provincial Discipline Inspection Commission held a meeting of secretaries of party groups and committees, heads of discipline inspection groups, and secretaries of discipline inspection committees of provincial organs, to convey and implement the spirit of the enlarged meeting of the Seventh Plenary Session of the Central Discipline Inspection Commission. The meeting stressed that this year it is necessary to concentrate our efforts on firmly grasping three things. These are, resolutely curbing several malpractices; conducting education in party spirit; and enforcing discipline. All these should be grasped, level by level, so as to achieve a basic turn for the better in the province's party style at an early date.

At the meeting, Luo Yuntong, member of the Central Discipline Inspection Commission and deputy secretary of the provincial Discipline Inspection Commission, first relayed the spirit of the enlarged meeting of the Seventh Plenary Session of the Central Discipline Inspection Commission. Yin Jun, Standing Committee member of the provincial CPC Committee and secretary of the provincial CPC Discipline Inspection Commission, then delivered a speech. He said that due to the importance attached by the provincial CPC Committee to straightening out party style, and the great efforts made by CPC committees and discipline inspection committees at all levels, and the comrades of the whole party, marked results have been achieved over the past 6 months in improving party style. The current problem is that some units and areas cannot keep up with the situation in ideological understanding and are slow in action. Some pay lip service only and do not take action. A handful of units even refused to implement relevant central leadership regulations and failed to strictly enforce orders and prohibitions. These problems are obstacles to our advancement.

According to the relevant spirit of the central leadership and the arrangements of the provincial CPC Committee, this year we must mainly grasp three things.

1. Earnestly implement the spirit of the National Conference of Party Delegates; implement relevant documents of the central leadership and speeches of central leading comrades; implement the spirit of the enlarged meeting of the Seventh Plenary Session of the CPC Central Discipline Inspection Commission; seriously straighten out the style of leadership organs, and eliminate various corruptions.

2. Seriously check up and reorganize various companies and centers, and resolutely correct the malpractice of party and government organs and cadres doing business and running enterprises.

3. Swiftly and seriously investigate and deal with important and major cases, assign the task level by level, carry the task through to the end, and concentrate our efforts to do our work effectively and in a down-to-earth manner.

Comrade Yin Jin said that in order to fulfill this year's task, we must stress five problems.

1. We must treat the spirit of relevant central instructions as the guiding thinking in our work; earnestly study the spirit; raise our consciousness; unify our ideas; strengthen our sense of responsibility to work; pay less lip service; do more practical things, and work hard.

2. We must give different guidance according to different conditions and strictly implement the responsibility system.

3. We must actively and steadily implement serious policies and regulations of the central leadership.

4. We must resolutely overcome political liberalism, which is also an unhealthy trend detrimental to the interests of the party and people and which must be resolutely corrected. Disciplinary action must be taken to deal with those who have made serious mistakes in this respect.

5. Provincial organs and Kunming City must set an example to the whole province in straightening out the style of administrative organs and party style.

Li Shuji, deputy secretary of the provincial CPC Committee, also delivered a speech at the meeting. Attending the meeting were Li Xingwang, member of the Central Discipline Inspection Commission and director of the provincial Advisory Committee, and (Lou Jiguang), deputy secretary of the provincial Discipline Inspection Commission.

NEI MONGGOL: BU HE SPEAKS ON PARTY STYLE

SK240340 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 22 Feb 86

[Text] In his speech at the conference of party-member responsible cadres of the regional organs, which was held on the morning of 22 February, Bu He, deputy secretary of the regional CPC Committee, emphasized: Grasping the building of party style and straightening out unhealthy practices is an urgent task of party organizations at all levels at present. Heads and deputy heads of all units and departments should personally grasp the work. The organs directly under the region should set an example for the entire region with actual deeds and strive to realize a fundamental turn for the better in party style as soon as possible.

In his speech, Comrade Bu He, first of all, made an appraisal of the situation of the regional organs' party style from an objective point of view and in accordance with the principle of seeking truth from facts. He said: Looking at the general situation over the past few years, the main trend of the party style of the regional organs is good, and the situation in improving party style is getting better and better under the guidance of the CPC Central Committee and the regional CPC Committee and with the concerted efforts of the party organizations at all levels and the vast number of party members. The realization of a turn for the better in party style has favorably ensured smooth progress in the region's reform and economic construction; thus, our region's current political and economic situation is among the best since the founding of the PRC.

He said: While fully affirming the achievements in straightening out party style, we must understand that the results of the work of straightening out party style are not ideal, and that there exist many problems. At present, some departments and units, and a few party-member cadres and leading cadres are indulging in various unhealthy practices; some of them are even considerably serious. The several unhealthy trends pointed out in document No 57 of the central authorities do exist to varying degrees in our region. In particular, such unhealthy practices as using public funds to give dinners and gifts, gaining illicit income, and taking advantage of functions to engage in business even seriously exist. Some party-member leading cadres even seriously practice bureaucracy. For instance: Some party-member resoponsible cadres reaped staggering profits by engaging in speculation; some party-member responsible cadres watched obscene videotapes to the neglect of the repeated injunctions of the central authorities, and some party-member cadres seriously violated the discipline relating to foreign affairs while going abroad. Although these corrupt practices appear among only a small number of party-member cadres, they have seriously damaged the prestige of the party among the masses, marred the party style, interfered in the smooth progress of reform, and shaken the people's confidence in the drive of the four modernizations.

Comrade Bu He emphasized: An important task ahead of us at present is to enthusiastically go into action to conscientiously implement the guidelines on the series of instructions on straightening out party style given by the central authorities, to realistically solve practical problems in light of actual conditions, and to strive to make noteble achievements in improving the party style of the regional organs within this year.

He said: First, we must attend to study. The leading party groups of all departments and bureaus should devote a period of time to study the speeches on party style delivered by central leading comrades recently and the documents of the central authorities in this regard. Through study, they should solve both practical and ideological problems and have a unified understanding of the current excellent situation, such as the situation of reform and party style.

Simultaneously, leading organs and cadres should take the lead in conducting comparisons and examination and focus on eliminating political liberalism and bureaucratic practices, unhealthy practices such as using their authority to seek private gains, being lax in discipine, employing persons and handling affairs by establishing personal relations in disregard of party spirit and principles, and plotting to safeguard the parochial interests of their own departments and units or small groups at the expense of the whole situation and the interests of the party and people. Through holding regular party activities of the organizations and heart-to-heart talks, and reviewing the party rectification work, leading organs and cadres should carry out criticism and self-criticism, conduct self-investigations, and correct their own mistakes.

Second, we should attend to major and appalling cases. Whoever violates party and administrative discipline should be handled resolutely in accordance with party and administrative discipline, and whoever violates the law should be handled according to the law. Activities of correcting unhealthy practices and dealing blows to economic criminals should be stimulated through investigating and handling major and appalling cases. The six unhealthy practices pointed out by the central authorities must be eliminated and corrected by 1 October. Major cases, about which the masses have many complaints, and that may bring about great damage, or involve many units and persons, should be handled overtly. We should take the major cases as negative lessons to strengthen education on party spirit, party style, party discipline and legality.

Third, we should attend to education. Comrade Bu He said: In order to straighten out party style, we must attach importance to grasping education regarding party spirit, ideals, discipline, Marxism-Leninism-Mao Zedong Thought, the party Constitution, and the guiding principle for inner-party political life; education regarding opposing the ideas and work style of individualism, bureaucracy, and liberalism; and education on the current situation, policies, and legality. We should closely link education on party spirit with actual conditions and carry out the education in a down-to-earth manner, but not in a formalist method. The education should be carried out vividly by citing both positive and negative typical examples. The regular party activities of organizations should be conducted rigorously.

Fourth, we should attend to the consolidation of discipline. At present we should resolutely implement the rules set forth in the present policies of the party and pay special attention to consolidating party discipline, personnel affairs discipline, financial and economic discipline, security discipline, and propaganda discipline. We should establish and improve various rules and regulations through consolidating discipline and strictly handle those who bring about serious consequences by not enforcing regulations.

Comrade Bu He called for efforts to strengthen leadership over the work of straightening out party style. He said: The regional CPC Committee called on heads of the leading party groups of departments and bureaus to personally attend to this work. The party organizations of all units should be inspired with enthusiasm to improve their work style and work methods, to timely understand the new situation and new methods, to strengthen leadership, to grasp policies, and to make efforts to ensure smooth progress in the work of correcting unhealthy practices and straightening out party style in accordance with the plans of the CPC Central Committee.

Tian Congming, deputy secretary of the regional CPC Committee, presided over the conference. Han Wengui, deputy secretary of the regional Discipline Inspection Commission, relayed the speeches on straightening out party style delivered by the central leading comrades, and the guidelines of the seventh plenum of the Central Discipline Inspection Commission.

SHANXI CPC COMMITTEE WORK MEETING CLOSES

HK240905 Taiyuan SHANXI RIBAO in Chinese 31 Jan 86 p 1

[Report: "Provincial CPC Committee Work Conference Concludes"]

[Text] The 9-day work conference of the Shanxi Provincial CPC Committee closed on 29 January. In his report given to the conference, provincial CPC Committee Secretary Li Ligong made a general appraisal of the work in 1985, put forth the general requirements for the work in 1986, and particularly demanded that leading cadres at all levels brace themselves and make great efforts to implement the policies. Provincial CPC Committee Deputy Secretariat Wang Senhao and Wang Jiangong, and provincial CPC Committee Standing Committee members Zhang Weiqing and Zhang Bangying separately delivered speeches on the structural reform, economic work, rural work, the strengthening of ideological and political work, and the rectification of party syle. Du Runsheng, director of the rural policy research office under the CPC Central Committee Secretariat, gave a report on the situation of the reform in the rural areas in China and the future trend of development of the reform.

The conference reviewed the achievements made and the experience obtained on various fronts in 1985 and arranged various tasks for 1986.

The conference held that our province had made substantial progress and achieved relatively great success in the reform in 1985. First, during the in-depth development of the reform, the rural economy has been further invigorated. Second, enterprises have been invigorated as administration has been streamlined and decision-making power delegated to lower levels. Third, as the price and wage reforms have continued smoothly, the market has become prosperous, stable, and brisk, and the people's real living standards have been raised. And fourth, by attaching importance to strengthening macroeconomic control, we have ensured the healthy development of economic construction. The conference pointed out: The economic situation in our province is excellent, with economic construction developing steadily and harmoniously; the economy is growing at a moderate speed, and economic results have been improved substantially; multiple forms of lateral economic ties have been vigorously developed and the economic relations between cities and countryside, in particular, have been further strengthened; county-run enterprises and town and township enterprises have achieved conspicuous success in developing the cement, structural steel, and timber industries; and the weak links of the national economy and social development have been strengthened.

The conference put forth the guiding ideology for the province's economic work in 1986, namely, persisting in placing the reform before everything else, taking the enhancement of economic results as the key link, adhering to the principle of seeking truth from facts and progressing steadily, making unremitting efforts to promote both material and spiritual civilizations, and thus ensuring that the province's economy develops steadily and harmoniously. In accordance with this guiding ideology, we must pay special attention to the following five aspects this year: First, it is necessary to persist in placing the reform before everything else. On the one hand, it is necessary to consolidate, digest, replenish, and improve the achievements that have been made so far in the reform, to promote what is beneficial and abolish what is harmful, to solve outstanding problems, and to enable the reform to play a better role. On the other hand, it is necessary to conscientiously carry out investigations and studies, to initiate pilot projects, and thus to make preparations for taking important steps at the next stage of the reform. Second, it is necessary to strengthen administration and earnestly make the improvement of economic results the kernel of the economic work as a whole.

Economic results, as the important criteria for comprehensive appraisal of economic work, comprise many indexes, such as output, profits, quality, consumption, costs, invested funds, capital turnover, potential for earning foreign exchange, and so on. Among these indexes, quality and consumption are the most important, but the weakest links at the moment. This year, while attaching importance to two indexes -- output value and profits, we must also concentrate our attention on improvement of quality and reduction of consumption. Third, it is necessary to invigorate circulation, make the market brisk, and stabilize commodity prices. In order to invigorate circulation, we must unremittingly reform the existing circulation structure and continue to implement all the adopted reform measures. In 1986, the state will not put forth any more major measures in relation to the price reform. Insread, we will take action to consolidate, digest, replenish, and improve the reform measures that have been adopted, so as to enable them to play a greater role in promoting production and invigorating circulation. Fourth, it is necessary to implement the plan for reform of the education structure, as well as of the scientific and technological research structure, and to speed up personnel training and scientific and technological progress. The priority task in developing education is tomake 9-year compulsory education universal. It is necessary to continue to readjust the secondary education structure and to vigorously develop vocational and technical training. It is necessary to introduce some changes in the old system under which institutions of higher learning are subject to excessive restrictions, to delegate greater decisionmaking power to the lower levels in regard to school operation, to strengthen the relations of institutions of higher learning with production, scientific, and technological research units, as well as other circles of society, and thus to invest institutions of higher learning with the initiative and ability to keep up with the needs of economic and social development. Fifth, it is necessary to step up the building of spiritual civilization and to improve the leadership method and style regarding the economic work.

In order to carry out the principles and policies laid down by the central conference on rural work held in December last year, the working conference of the Shanxi Provincial CPC Committee, in light of the actual situation in the rural areas in the province, put forth the general requirements for rural work in the province for 1986, which can be summed up as follows: implementing the policies, carrying out the reform in depth, improving the agricultural production conditions, organizing pre- and post-production services, and pushing the rural economy to develop steadily and harmoniously. In this connection, it is necessary to strengthen the role of agriculture as a basic production sector, to continue to readjust the production structure in rural areas, to safeguard and improve the basic conditions for agricultural production, to enhance scientific and technological research and popularization work, to make efforts to help change the face of poor areas, to perfect the cooperative system for rural areas with attention concentrated on services, to carry on the reform of the circulation structure, to take real action to lighten the peasants' burden, to step up the building of grass-roots organizations and the ideological and political work in rural areas, and to strengthen leadership over rural work. With the emphasis placed on the above 10 tasks, the conference laid down a series of principles, policies, and measures, in the hope that the 1986 central document No 1 will be better implemented.

The conference emphasized: We must not slacken our efforts in agriculture just because of the improvement of the situation in agriculture; also, we must not ignore investment in agriculture, even though the capital construction period for agriculture is long and it takes time for capital construction projects to produce the desired results; still less must we negate the role of agriculture as a basic production sector even though the proportion of agricultural output value in the GNP is declining. For this reason, the year 1986 is to witness a moderate increase in the investment in agricultural capital construction and in the portion of agricultural investment out of the funds put aside for technical transformation, as well as in agricultural service charges.

The provincial CPC Committee demanded that from 1986 on, all prefectures divert a substantial portion of their financial revenue to investment in agriculture.

The conference pointed out: The current situation on the ideological front in the province is good. From the stage of setting things to rights through to the stage of overall reform, our party committees at all levels and our comrades on the ideological front have made much effort and scored some results in upholding the four basic principles; in publicizing Marxist-Leninist theories, the CPC Central Committee's line, principles, and policies, and the reform; in carrying out the education in the idea of the "four have's" [lofty ideals, moral integrity, good educational background, and a high sense of discipline]; in eliminating "leftist" influence; in opposing bourgeois liberalization; and in building socialist spiritual civilization. In general, however, the results of our ideological and political work and our efforts in building spiritual civilization are not satisfactory, and many issues which still remain weak links have yet to be explored.

According to the work program drawn up by the CPC Central Committee and the provincial CPC Committee, in doing ideological and political work and building socialist spiritual civilization in 1986, we in the province are required, in general, to strengthen leadership, to make efforts to discover ways to improve our work, to be geared to the needs of the grass-roots level, to act in line with actual circumstances, to emphasize practical results, and to expedite the reform. We must fulfill several major tasks. First, we must continue to carry out the education in the situation and policies in depth, centering on the following questions: Whether the present period is one of the best since the founding of the PRC in terms of the political and economic situation, whether the economic reform policy of invigorating the economy at home and opening up to the outside world is correct, whether the line, principles, and policies adopted by the CPC Central Committee since the 3d Plenary Session of the 11th CPC Central Committee are in keeping with Marxism-Leninism, and whether the present period is one of the best and the most successful since the founding of the PRC in terms of our foreign policy. Second, we must do a good job in promoting education in ideals and discipline at different levels. For the vast numbers of cadres, in the main, it is necessary to strengthen their party spirit, enforce discipline, rectify the unhealthy tendency of seeking personal interests by making use of one's power, overcome bureaucracy, raise efficiency, and adopt the attitude of wholeheartedly serving the people. For the broad masses of workers, in the main, it is necessary to urge them to foster their sense of being the masters of society, to give full play to vocational ethics, and to do a good job in their positions. For young students, in the main, it is necessary to educate them to adopt a correct outlook on life and the world, and to have a correct understanding of the purpose of study. Finally, for the broad masses of peasants, in the main, it is necessary to strengthen education in collectivism and patriotism, and to help them correctly handle the relations between the state, the collective, and the individual. Third, it is necessary to strengthen the education in basic Marxist theory among cadres. Cadres in posts are required to systematically study the basic principles of Marxism, the history of modern and contemporary China, the building of the party, the economic and political history of the contemporary world, and the history of the international communist movement.

This year, they are required to concentrate their attention on studying the socialism section of "Political Economy" and the relevant important documents issued since the 3d Plenary Session of the 11th CPC Central Committee. Fourth, it is necessary to build civilized units in accordance with high standards and strict requirements. It is necessary to continue to promote various forms of activity of building civilized units either on one's own or by joint efforts, and to introduce these activities to shops, schools, plant workshops, teams and groups in factories, and residential blocks. It is necessary to continue to promote the activities of "civilized families" in the vast countryside, towns, and cities.

It is necessary to make efforts to bring about a substantial improvement of the social mood and social order in the 10 cities under provincial or prefectural administration and in Lishi County town. Fifth, it is necessary to promote the production of spiritual products and strengthen the control over these products, and to make every effort to provide the people with the best nourishment for the mind. This year, apart from paying further attention to strengthening control over newspapers, periodicals, and videotapes, we must place the emphasis on further efforts to adopt a correct business orientation, and social benefit must be taken as the highest criterion. The press, publishing houses, and radio and television broadcasting stations must conscientiously emphasize discipline, keep closely in line with reality, and propagate in a vivid and lively manner the party's line, principles, and various key tasks, the good deeds of the masses in enthusiastically building the four modernizations, new achievements of construction in various places, the good style that our cadres at all levels have shown in going deep into the grass-roots level, in immersing themselves among the masses, and in conscientiously carrying out investigations and studies, typical examples of models and progressives, and the new work style of taking the interests of the whole into consideration, emphasizing practical results, attaching importance to unity, and striving to make greater contributions. In brief, we must vigorously publicize the reform, encourage healthy trends, and foster unity. Writers and artists should immerse themselves among the masses, go to the first line of reform, and experience hardships together with hundreds of thousands of people in the thick of the struggle for the four modernizations, so as to produce outstanding works which are in keeping with the spirit of the times, reflect the realities of life, and inspire people to open up a new situation.

The conference pointed out: This year will be a crucial year for the improvement of party style. To improve party style, we must implement the principle put forth by the CPC Central Committee, namely, "first, persist in our efforts, and second, make long-term efforts." This year, in rectifying party style, we are to uphold the following guiding principle: the whole party is to be mobilized to take part in the effort; leaders should take the lead in the drive and should do more actual work, rather than indulging in idle talk; it is necessary to strengthen education and be strict in handling cases; and improvement of party style must be fulfilled as scheduled and results must be achieved in a year.

The conference has set the criteria for a fundamental turn for the better in party style: 1) The leading body is up to the standard of the four transformations of cadres and is able to implement correctly the party's line, principles, and policies and keep strictly in line with the CPC Central Committee politically. Leading organs and leading cadres must play exemplary roles in various aspects. 2) Showing concern for party style has become a common practice in the party, those unhealthy trends most bitterly hated by the masses have been redressed, new unhealthy tendencies are curbed as soon as they emerge, and the relations between the party and the masses have been substantially improved. 3) With their political quality improved and with a high sense of discipline, the vast majority of party members can play the role of model and bridge; and most grass-roots organizations of the party can play the role of fighting force. 4) Inner-party life and the system of democracy have been further consolidated; and party, being closely united, can regularly launch criticism and self-criticism, constantly listen to the masses' opinions, and improve its work and style. 5) The improvement in party style has expedited the further development of the reform of the economic structure, as well as economic construction, and has thus given impetus to the realization of a fundamental turn for the better in the social mood and economic situation.

The conference emphasized: In order to effect a substantial improvement of party style and score practical results throughout the province this year, we must pay attention to the following five aspects: Leading organs and leading cadres at all levels must be strict with themselves and play an exemplary role; it is necessary to persistently mobilize the whole party to take part in the effort to rectify party style; it is necessary to strengthen education in party spirit, party style, and party discipline; it is necessary to handle cases conscientiously and to be strict in investigating and handling a number of important and major cases; and it is necessary to strengthen supervision over party-member cadres, especially leading cadres.

The conference called on leading cadres at all levels to give full play to their revolutionary spirit, to improve their working methods, to work in a down-to-earth manner, and to try their best to fulfill all the tasks for 1986.

TIANJIN RESIDENTS POSSESS MORE CONSUMER GOODS

OW261240 Beijing XINHUA in English 1228 GMT 26 Feb 86

[Text] Tianjin, February 26 (XINHUA) -- With incomes rising steadily, the value of major consumer durables of the average Tianjin urban household has doubled to 2,700 yuan (about 900 U.S. dollars) since 1980, the municipal statistics bureau said here today.

Of this, washing machines, wrist watches and bicycles are worth 958 yuan, up 47 percent from 1980, according to a sample survey conducted by the bureau last month.

The value of TV sets and tape recorders soared 160 percent to 796 yuan; woolen and fur-lined coats, 190 percent to 630 yuan; and furniture, 70 percent to 316 yuan.

The average annual income of Tianjin urban families rose seven percent in real terms from 1984, to reach 812 yuan per person last year, a bureau official said.

The survey also shows that the number of black-and-white TV sets for every 100 families rose to 83.7 in 1980; washing machines soared from 0.2 to 42.5; tape recorders increased from 6.2 to 52; and sofas doubled to 120.

Moreover, there are also 16.6 color TV sets and 9.3 refrigerators for every 100 families, compared with almost none six years ago.

Each urban resident has an average of two woolen or fur-lined coats and two pairs of leather shoes, and every four residents have a woolen blanket.

## GANSU COMMENTARY ON LESSON OF FRAUD CASE

HK260217 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 24 Feb 86

[Station short commentary: "Draw a lesson, Strengthen Party Spirit"]

[Text] The provincial CPC Committee and the Dingxi Prefectural CPC Committee have seriously investigated and dealt with the case of some leading cadres in Zhangxian County practicing fraud and seeking personal gains by taking advantage of their power. This has enjoyed popular support. If CPC committees at all levels administer the party strictly, earnestly implement the principle of resolutely and continuously correcting party style, correcting each malpractice one by one, and making unremitting efforts, it will be possible to bring about a basic turn for the better in party style at an early date.

Comrades (Jiang Guotai), (Han Qi), and (Zhao Zhiqiang) forgot the party's basic aim of serving the people wholeheartedly, treated the power given by the people as a means for seeking personal gains, and gave up the principle of party spirit. Leading cadres at all levels must draw a bitter lesson from their mistakes, constantly strengthen party spirit, exercise strict self-discipline, take the lead in inheriting and developing the party's find traditions, and always put the interests of the party and people above all. Only thus can they set a good example for party members and the masses in correcting party style.

The reason some leading cadres in Zhangxian County seriously engaged in malpractices is that leading members of the former county CPC Committee were weak and incompetent, and failed to form a powerful leadership core. Both units which are now carrying out party rectification and units which have completed party rectification should vigorously strengthen the building of leadership groups in style and organization, adhere to the party's system of democratic centralism, uphold the principle of collective leadership, and constantly upgrade the quality of leading cadres, so that leadership groups at all levels can become effective commanding offices for grasping the building of the two civilizations.

## QINGHAI TEMPORARILY HALTS TAX INSPECTION

HK260939 Xining Qinghai Provincial Service in Mandarin 2330 GMT 23 Feb 86

[Text] Our province's large-scale inspection of tax revenue has been brought to a temporary halt. Enterprises of all kinds which conducted self-inspection or key inspection from September last year to January this year, accounted for 80.9 percent of the total number of existing enterprises which should pay taxes. As a result of inspection, it was found that 45.5 percent of them evaded taxes. But the end of January, some 80 percent of the taxes evaded had been paid into the treasury.

In this large-scale inspection of tax revenue, it was found that the tricks of enterprises evading taxes were many and varied. Some withheld their income from business and sales; some induced people to buy their wholesale commodities or came by income from the difference between the purchasing and reselling prices of raw materials. Some failed to pay taxes for their agricultural, livestock, and fish products or effected payment without the support of vouchers. Some individual enterprises and individuals used false accounts or false invoices to evade taxes.

In order to strictly enforce the tax law, before Spring Festival, tax departments at all levels in our province basically completed the handling of cases of tax evasion found, in accordance with the principle of seeking truth from facts. At present, tax departments in all places are stepping up the payment of taxes evaded into the treasury, and urging the payment of taxes evaded.

They have also seriously summed up experiences and lessons in inspection and formulated measures to strengthen the management of tax revenue, so as to consolidate the fruits of the large-scale inspection of tax revenue.

QINGHAI CONCLUDES FORUM OF REASSIGNED CADRES

HK251725 Xining Qinghai Provincial Service in Mandarin 2330 GMT 21 Feb 86

[Text] On 21 February, the provincial CPC Committee organization department concluded in Xining the 2-day forum of cadres sent to work in prefectures and counties. At the forum, the cadres unanimously contended that to select and send middle-aged and young cadres with professional knowledge, to work at grass roots levels was very important in terms of expediting Qinghai's economic construction, improving the cadres' work style and cultivating cadres. The participants stated that they would never let the party organizations down, and would make contributions to developing Qinghai.

Comrade Yin Kesheng attended and made a speech. He said: Qinghai is a poor area. Those 40 comrades sent to the grass-roots level have set good examples for the province's party members. This is a glory which is worth being studied. For the first time in 10 years, the province has selected and sent fine middle-aged and young intellectuals to the grass-roots. The provincial CPC Committee and government have therefore decided to continue to carry on the work in future.

QINGHAI'S YIN KESHENG ADDRESSES TRANSFERRED CADRES

HK270437 Xining Qinghai Provincial Service in Mandarin 2330 GMT 24 Feb 86

[Excerpts] Yesterday morning [24 February], the Qinghai Provincial CPC Committee held a meeting of provincial organ cadres at and above departmental level in the provincial people's hall to give a warm send-off to 40 young cadres who had been transferred from organs at the provincial level and provincial subordinate enterprises and institutions to autonomous prefectures, prefectures, and counties to work there. Yin Kesheng, secretary of the provincial CPC Committee, presided over the meeting.

[Begin recording] The meeting to give a send-off to cadres of organs at the provincial level going to work in autonomous prefectures, prefectures, and counties is now beginning. Comrade Liu Feng is going to read the decision of the provincial CPC Committee on selecting and sending cadres of organs at the provincial level to strengthen ideological work.

With a view to really strengthening ideological work and the building of the ranks and speeding up the development [words indistinct] and construction in our province, the provincial CPC Committee has decided that beginning in 1986, arrangements will be made in an organized and planned way for selecting and sending outstanding and young cadres of upper-level leadership organs, enterprises, and institutions, whose ideology is good and work style correct and who have certain professional technology and management skills, to work at the grass-roots. The first group of 40 comrades has been first transferred from organs and departments at the provincial level and provincial subordinate enterprises and institutions to reinforce the leadership groups of autonomous prefectures, prefectures, and counties and the leadership forces of autonomous prefectural and prefectural organs. In the future, arrangements will be made continuosuly. All autonomous prefectures, prefectures, cities, and counties must also make arrangements in a planned way for sending a certain number of their cadres to counties, townships, and [words indistinct] to strengthen grass-roots leadership groups so as to promote still more effectively the building of party style, all aspects of building, and economic development in rural and pastroal areas. This is a system which we must regularly implement for a long period of time in the future. [end recording]

At the meeting, (Li Jingfan), director of the organization department of the provincial CPC Committee, read the namelist of the cadres going to work in autonomous prefectures, prefectures, and counties.

Huanjiecailang, deputy secretary of the provincial CPC Committee, spoke at the meeting. At the conclusion of the meeting, Comrade Yin Kesheng gave two instructions to the comrades going to work in autonomous prefectures, prefectures, and counties: Do practical work, lay stress on practical results, and struggle hard for the prosperity and well-being of the people. Lay stress on unity, compare contributions, strike root at the grass roots, put into practice, and grow up through tempering.

Attending the farewell meeting were leading comrades of the provincial authorities, including Song Ruixiang, Zhao Haifeng, Song Lin, and Shen Ling.

XINJIANG'S SONG HANLIANG MEETS DEPARTING CADRES

HK270417 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 24 Feb 86

[Text] This morning regional party and government leaders Song Hanliang, Wang Enmao, and Tomur Dawamat met the second batch of cadres who will leave for Jiangsu and Zhejiang to study at corresponding posts. Of the 41 cadres, 11 are of minority nationalities. They come from industrial, commercial, and financial and Constructive Corps. Their average age is 40 and most of them have reached college student level. They are occupying various leading posts in their own units. They will study at corresponding posts in Jiangsu and Zhejiang for 4 months.

Song Hanliang, Wang Enmao, and other leading comrades expressed the hope that the cadres will live up to the expectations of the regional CPC Committee, study hard in connection with Xinjiang's reality, master the valuable experience achieved by other provinces in reform and enterprise management, and make contributions to Xinjiang's four modernizations. These cadres will leave Urumqi on 27 February.

TAIWAN TO KEEP SUBSTANTIVE TIES WITH PHILIPPINES

OW270519 Taipei International Service in English 0200 GMT 27 Feb 86

[Excerpt] ROC spokesman for the Foreign Ministry Chiu Chin-yi said today, 26 February: The new Philippines Government has been formed, and the Republic of China will keep substantive relations with the Philippines, which have been well established over the past years.

Spokesman Chiu held a press conference this morning on the ROC's attitude toward the Philippines' new government. Chiu said: The Republic of China Government is very much concerned about the Philippines political situation, since there are many Overseas Chinese residing in the Philippines.

CHINESE PILOT TO LEAVE S. KOREA SHORTLY

OW261007 Taipei International Service in English 0200 GMT 26 Feb 86

[Text] According to Chinese ambassador to Seoul, Hsueh Yu- hi, Chen Pao-chung, the MiG-19 pilot who flew his plane to an airbase near Seoul last Friday, will be allowed to go to the Republic of China as he has requested.

The ambassador, who called on Korean Vice Foreign Minister Yi Chang-ok Monday to discuss Chen's flight to freedom, said: The 26-year old pilot would be able to leave for Taipei in a couple of weeks. He added: Unlike previous pilot defectors from mainland China who flew combat jets to the Republic of Korea, Chan piloted a reconnaissance plane. His case will therefore take longer to investigate.

Chen is the sixth Chinese Communist military pilot to defect to the ROC by way of Korea.

SHANGHAI COMPANY BEGINS TO PAY DIVIDENDS

HK270423 Hong Kong TA KUNG PAO in English 27 Feb 86 p 6

[Text] Economic reform program will soon pay off in a new way as 18,000 stockholders in Shanghai receive the first dividend checks issued since the founding of New China in 1949. Zhou Xinrong, president of the Yanzhong Industrial Company, told stockholders that they will receive a 15 percent return on their investments this year, nearly twice the going rate for one-year bank deposits. The company is one of 12 subsidiaries of the Yanzhong Photocopy Company, which was formed as a cooperative venture of local neighbourhood committees in the city.

More than ten enterprises in Shanghai have sold stocks since 1984, when a new regulation permitted such sales. Other companies have sold stocks to their employees. None of the stocks can be traded, although they can be transferred through banks at a fixed price.

The Yanzhong Industrial Company sold 100,000 shares worth five million yuan in January 1985, 60,000 of them within seven hours. Individuals bought 90,000 shares, while the rest were bought by collectives. Last year the company earned a profit of 980,000 yuan. After paying income tax, owners of each 50-yuan share will earn 4.6 yuan, Zhou said.

The company invested the five million yuan in imports of equipment for a plastic die plant, in trade involving duplicating machines and in a new six-story rental building.

In the future, Zhou said, the company will concentrate more on industrial production.

The parent company, which also owns a research institute and a joint venture, earned more than nine million yuan in profits last year, ten times what it made in 1978.

LI HAO VIEWS SHENZHEN'S DEVELOPMENT PROSPECTS

HK231013 Hong Kong WEI WEI PO in Chinese 21 Feb 86 p 3

[Special dispatch from Shenzhen: "Li Hao Discusses Prospects for Shenzhen-Hong Kong Relations"]

[Text] Mayor of Shenzhen Li Hao officially stated his views before newsmen for the first time yesterday afternoon at a Spring Festival tea party prepared for Shenzhen and Hong Kong journalists. He said that recently, a leader described Hong Kong as a new "silk road" for China to other parts of the world. To build itself and develop its connections with other parts of the world, the Shenzhen Special Economic Zone should make full use of Hong Kong's assets and correctly handle its relations with Hong Kong so that Hong Kong will benefit from Shenzhen, and vice versa. The two places should support, cooperate with and complement each other for common prosperity. This is the basic principle for correctly handling relations between Shenzhen and Hong Kong, and also the common objective of developing economic and technological cooperation between the two sides.

Li Hao also said that cooperation and exchanges between Shenzhen and Hong Kong are very close. In terms of foreign investment alone, Shenzhen had concluded 3,967 agreements and contracts with foreign investors from 1980 to July 1985, amounting to U.S. $2.957 billion. Of this, investment funds from Hong Kong accounted for 90 percent. The amount of foreign funds put to use totaled U.S. $775 million and Hong Kong investment funds made up 87.2 percent of the total. It is thus seen that the relations between the two places are very close.

In this connection, it has been planned to open two more thoroughfares in Huanggang [4106 1511] and Luomazhou [5507 7456 3166] this year, and to strive to extend office hours of customs houses (according to a preliminary agreement reached between Shenzhen and Hong Kong, the office hours of both Shenzhen and Hong Kong customs will be prolonged to 2200 from 1830). After the second border is officially put to use, entry and exit formalities for Hong Kong residents will be further simplified. Preparations are being stepped up for the construction of the Shenzhen civil airport. Preferential policies will be further implemented, the practice of arbitrarily collecting fees will be straightened out and efforts will be made to raise efficiency levels of service. The Shenzhen Special Economic Zone will dispatch more personnel to be stationed abroad so as to gradually set up an economic information, purchase and marketing network for export purposes.

Shenzhen Will Launch Reform in Many Fields This Year, Enterprises Will Be Established on a Shareholding Basis

Referring to prospects for Shenzhen's development in the future, Li Hao pointed out: First, the central policy of opening up to the world is the basic policy of the state stipulated in the state Constitution. The State Council recently held a meeting of the nation's special economic zones to discuss major policies for further development of the special economic zones. This has once again proved that the central authorities will, as always, firmly support the special economic zones. Second, all localities and all departments render great support to the Shenzhen Special Economic Zone. Now, 28 provinces, municipalities and autonomous regions of the country, as well as more than a dozen of the central industrial departments, all have offices with very capable cadres in Shenzhen. Without the support of the whole nation, it is unimaginable that Shenzhen could have achieved great success in construction. The strong support of the whole nation provides a sufficient guarantee for ever-growing development and progress in Shenzhen. Of course, this does not mean that the interior "transfuses blood" to Shenzhen. The interior and Shenzhen have always supplemented each other in setting up enterprises and making investments. The other parts of the country use Shenzhen as the window for carrying out the opening up policy and in turn, Shenzhen is of service to them. Therefore, we plan to hold a meeting after the Spring Festival, of responsible persons of offices of all provinces and cities of the country, in Shenzhen.

Li Hao also pointed out that through efforts over 5 years and more, the investment climate in Shenzhen has increasingly improved and it has become ever more attractive to domestic and foreign investors. Economic construction in the Shenzhen Special Economic Zone has now reached a new stage in its development. The attractive investment climate in Shenzhen, its "radiative force" to other parts of the country and its competitive market, are of vital importance to the economic development of Shenzhen. A series of preferential policies formulated by the central authorities for the Shenzhen Special Economic Zone afford a basic guarantee for strengthening the work in these three fields. According to the aforementioned objective and demands, Shenzhen should fulfill the following tasks this year and in years to come: 1) Instead of laying a material foundation in economic construction as in the past few years, we must start to concentrate efforts on increasing industrial production output, ensuring quality and achieving better economic results. We must take appropriate control of the scale of investment in fixed assets, improve work that has been initiated and step up the development of energy, transport and telecommunications. Efforts will be made to perfect various rules and regulations for a better investment climate. The funds to be invested in capital construction this year should be limited to no more than renminbi 1.6 billion. Of course, this does not include foreign investment funds. 2) We will continue to make efforts to introduce investment from abroad and establish lateral ties at home.

3) We will uphold the policy of opening up to the world and stimulate reform in depth. The departments concerned are busy preparing reform plans and measures to be adopted this year, such as establishing enterprises on the shareholding basis, putting all trades under the control of their associations, establishing an independent accounting system and improving the systems of wages, prices, housing on a commodity basis, income tax and social insurance. 4) We should promote the improvement of party work style and social conduct at large.

Also attending the meeting yesterday were Zou Erkang, Qu Huang, Lin Zuji, Lu Zufa, Liu Lin, Li Weiyan, and Zhang Hongbin. They answered questions put to them in turn by newsmen, including the question concerning the contradiction between the export-oriented economy of Shenzhen and the economy of Hong Kong. The meeting was held in a lively atmosphere.

'CONFUSED STATISTICS' ON PRC TRADE CRITICIZED

HK260551 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS supplement) in English 26 Feb 86 p 2

[Editorial: "China Must Bridge Its Credibility Gap"]

[Text] It is an accepted maxim of trading that price is a relative concept, and depends not only on supply and demand, but whether the party interested in knowing it is buying or selling. The confused statistics emerging from China on its trade performance have all the characteristics of the age-old conundrum of figures being subject to the needs and motives of the beholder.

Clearly, the Foreign Trade Ministry has an interest in preserving, as far as possible, the flow of goods into and out of China, while the Customs Department is charged with the responsibility of monitoring and controlling imports.

When the Foreign Trade Ministry alleges a trade deficit of US$7.6 billion for last year, the figure needs to be treated with a degree of circumspection normally associated with politicians determined to present the brightest possible picture.

The deficit of US$14 billion, widely viewed soon after the end of the year as a more realistic number, and cited this week by the Customs Department as the official deficit for the year, adds an alarming dimension to China's trade and foreign reserve issue. Not only has the mainland indulged in an orgy of consumption over the past year, but the commodity markets have refused to accommodate this appetite, and ever-declining oil prices have made the objective of a balanced trade account an increasingly remote proposition.

Close to a quarter of China's export earnings are derived from oil and coal, both of whose prices have taken a pronounced drubbing in the world's markets of late. Without a manufacturing base large or diversified enough to take up the slack, it is natural that imports will have to face the scalpel.

While China's obsession with large foreign currency reserves is curious to the debt-inured West, it is a political reality that will not disappear as a result of hand-wringing abroad. Historical distrust of the capitalist financiers and the genuine fear that China is in constant danger of becoming hostage to the whims and wiles of the banks are pervasive phenomena among older and conservative officials. What this means is the trend begun in March last year is unlikely to begin any substantive reversal for the foreseeable future.

China has moved comprehensively into a "stop" phase of its "stop-start" evolution into industrialisation and modernisation, and a by-product of this leg of the cycle is a clampdown on imports of consumer goods and other non-essentials.

For Hong Kong's manufacturers this news will not be new, or in any way encouraging, but the timing is perhaps fortuitous. Cossetted by exponential growth in exports and reexports to the mainland, and supported by a base load of shipments to the U.S., Hong Kong's manufacturers have not in the past felt the need to identify and exploit new markets. Investiveness arising from necessity has opened the way to the European Economic Community, while Japan is beckoning through a heavily revalued currency and concomitant boost to the competitiveness of Hong Kong products.

For China, the critical issue as far as the rest of the world is concerned is the huge credibility gap in statistics on the country's economic and trade performance. With such large disparities issuing forth from two central government departments on a matter as vital as the trade balance the question inevitably raised is how much credibility can be attached to any other figures reported by the country's authorities.
Long-term trade relations are built on trust and reliability, and if China is unable to establish credible records in areas as fundamental as trade figures it is unlikely to be able to persuade foreign investors to rely on long-term economic projections. If China is to break through into the ranks of the emerging industrialised or eventually the newly industrialised countries it will have to come to terms with the basics. In the context of national accounts, there is little that is more basic or fundamental than trade statistics, and a good start on the road to economic maturity would be a determination to produce reliable numbers, whether buying or selling.